EXPORT CONTROL ACT OF 1949

HEARINGS

BEFORE THE

COMMITTEE ON BANKING AND CURRENCY
HOUSE OF REPRESENTATIVES

EIGHTY-FIRST CONGRESS

FIRST SESSION

ON

H. R. 1661

A BILL TO PROVIDE FOR CONTINUATION OF AUTHORITY FOR THE REGULATION OF EXPORTS, AND FOR OTHER PURPOSES

JANUARY 31, AND FEBRUARY 1, AND 2, 1949

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EXPORT CONTROL ACT OF 1949

MONDAY, JANUARY 31, 1949

HOUSE OF REPRESENTATIVES,
COMMITTEE ON BANKING AND CURRENCY,
Washington, D. C.

The committee met at 10:30 a. m., the Hon. Brent Spence (chairman) presiding.

Present: Messrs. Spence, Chairman, Brown, Patman, Monroney, Buchanan, Deane, Mrs. Woodhouse, Messrs. McKinnon, Mitchell, O'Hara, Wolcott, Talle, Kilburn, Hull, Scott, and Nicholson.

The CHAIRMAN. The committee will be in order.

We have met this morning to consider H. R. 1661, to provide for the continuation of the authority to regulate exports.

(The bill referred to is as follows:)

[H. R. 1661, 81st Cong., 1st sess.]

A BILL To provide for continuation of authority for the regulation of exports, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Export Control Act of 1949".

FINDINGS

(a) Certain materials continue in short supply at home and abroad so that the quantity of United States exports and their distribution among importing countries affect the welfare of the domestic economy and have an important bearing upon the fulfillment of the foreign policy of the United States.

(b) The unrestricted export of materials without regard to their potential military significance may affect the national security.

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that it is the policy of the United States to use export controls to the extent necessary (a) to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand; (b) to further the foreign policy of the United States and fulfill its international responsibilities; and (c) to exercise the necessary vigilance over exports from the standpoint of their significance to the national security.

AUTHORITY

SEC. 3 (a) To effectuate the policies set forth in section 2 hereof, the President may prohibit or curtail the exportation from the United States, its Territories, and possessions, of any articles, materials, or supplies, including technical data, except under such rules and regulations as he shall prescribe. To the extent necessary to achieve effective enforcement of this Act, such rules and regulations may apply to the financing, carriage, and other servicing of exports and the participation therein by any person.

(b) The President may delegate the power, authority, and discretion conferred upon him by this Act to such departments, agencies, or officials of the Government as he may deem appropriate.

CONSULTATION AND STANDARDS

SEC. 4. (a) In determining which articles, materials, or supplies shall be controlled hereunder, and in determining the extent to which exports thereof shall be limited, any department or agency making these determinations shall seek information and advice from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports.

(b) In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters, and provision shall be made for representative trade consultation to that end. In addition, there may be applied such other standards or criteria as may be deemed necessary by the head of such department or agency to carry out the policies of this Act.

VIOLATIONS

SEC. 5. In case of the violation of any provision of this Act or any regulation, order, or license issued hereunder, such violator or violators, upon conviction, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than one year, or by both such fine and imprisonment.

ENFORCEMENT

SEC. 6. (a) To the extent necessary or appropriate to the enforcement of this Act, the head of any department or agency exercising any functions hereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in case of contumacy by, or refusal to obey a subpena issued to, any such person, the district court for any district in which such person is found or resides or transacts business, upon application, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (27 Stat. 443), shall apply with respect to any individual who specifically claims such privilege.

(c) No department or agency exercising any functions under this Act shall publish or disclose information obtained hereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless the head of such department or agency determines that the withholding thereof is contrary to the national interest.

EXEMPTIONS FROM ADMINISTRATIVE PROCEDURE ACT

SEC. 7. The functions exercised under this Act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of section 3 thereof.

QUARTERLY REPORT

SEC. 8. The head of any department or agency exercising any functions under this Act shall make a quarterly report, within forty-five days after each quarter, to the President and to the Congress of his operations hereunder.

DEFINITION

SEC. 9. The term "person" as used herein shall include the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof.

EFFECT ON OTHER ACTS

SEC. 10. The Act of February 15, 1936 (49 Stat. 1140), relating to the licensing of exports of tin-plate scrap, is hereby superseded; but nothing contained in this Act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity.

EFFECTIVE DATE

SEC. 11. This act shall take effect February 28, 1949, upon the expiration of section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended. All outstanding delegations, regulations, orders, licenses, or other forms of administrative action under said section 6 of the Act of July 2, 1940, shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this Act.

TERMINATION DATE

SEC. 12. The authority granted herein shall terminate on June 30, 1951, or upon any prior date which the Congress by concurrent resolution or the President may designate.

The CHAIRMAN. Secretary Sawyer is unable to be here.

Acting Assistant Secretary Blaisdell of the Department of Commerce is here to testify. I understand he has had a great deal of experience in connection with the control of exports.

We will be glad to hear you, Mr. Blaisdell; and, if you have a prepared statement and would like to complete it before being interrogated, I am sure the committee would accede to your request.

Mr. BLAISDELL. Thank you very much, sir. I would appreciate it if we could proceed in that way.

The CHAIRMAN. Very well.

STATEMENT OF ACTING ASSISTANT SECRETARY OF COMMERCE THOMAS C. BLAISDELL, ACCOMPANIED BY NATHAN OSTROFF, CHIEF, LEGAL STAFF, OFFICE OF INTERNATIONAL TRADE; RALPH S. TRIGG, COMMODITY CREDIT CORPORATION AND PRODUCTION AND MARKETING ADMINISTRATION; AND FRANCIS E. McINTYRE, ASSISTANT DIRECTOR, OFFICE OF INTERNATIONAL TRADE, DEPARTMENT OF COMMERCE

Mr. BLAISDELL. Mr. Chairman, members of the committee, I appreciate the opportunity to appear before the committee this morning.

I regret that the Secretary cannot be here. It is my responsibility to explain the nature of the export-control program which is administered in the Office of International Trade of the Department of Commerce.

The present law authorizing control over exports expires February 28, 1949. Its renewal is clearly necessary and I want to emphasize at the very outset the importance of immediate action both for reasons of administrative efficiency and to enable the trade to plan its business accordingly. During the past year, with the approval of the Congress, we have broadened the scope of this work and increased the number of employees engaged in it. We are handling more than 10,000 applications each week and are trying at the same time in every way possible to minimize interference with normal export trade. Our funds also run out within a month; and, as you know, we must have authorizing legislation before we can obtain the necessary new appropriations for administration. The present program should be kept on a going basis, and any delay would seriously handicap us in our work.

I feel I would just like to interpose, in a more or less jocular way, that there are 28 days left to the end of the month; and our people keep reminding us of it all the time.

There is, to the best of my knowledge, no public or trade sentiment against the need for extending these controls for some time to come, although there are differences of judgment as to whether they should be renewed for 16 or 28 months. Those who are urging the shorter extension feel that an annual review by the Congress as to the necessity for these controls is essential. In this connection, I should point out that such a review is not precluded in this proposed bill.

On previous occasions I have given it as my considered judgment that this thing should be renewed annually, and I see no reason to change that judgment at this time. But it should be noted, on the contrary, specific provision is made for quarterly reports to the Congress, and for termination of the controls at any time by concurrent resolution of the Congress. We are also required, of course, to seek an annual appropriation for continuation of this activity. This is an opportunity to review annually the program. I shall indicate later on why we believe the longer period is necessary.

For more than a year now, the Secretary of Commerce has been making a quarterly report of operations under this program to the President and the Congress. These reports explain in considerable detail our organization and our methods of operation; the current scope of the controls; how we determine what commodities shall be controlled and the extent to which exports should be limited; the criteria used in approving or denying export licenses; and our enforcement activities. Copies of the last two such reports are included in the material which has been prepared for this hearing, and the Secretary's latest report will be submitted very shortly.

The rules and regulations governing export controls are published in the Federal Register, including our so-called positive list; the list of commodities requiring specific export licenses for all destinations. And it is our practice to publish the quotas for all controlled commodities to which they are applied, so that exporters may have, in advance, a general idea of the quantity they might individually be allowed to export. Such information, with detailed explanations for the use of the export trade, is published by the Department of Commerce in a quarterly Comprehensive Export Schedule, supplemented by Current Export Bulletins, up-to-date copies of which have been furnished you. We have also prepared for your information brief statements giving the high lights of the supply, demand, production situation and outlook in the major commodities with which we are concerned.

I should like to make a general statement as to the justification for the continuance of this activity, and there are with me certain of our operating officials who are prepared to answer whatever specific questions you may have.

Our statutory authority to control exports, as renewed in the Second Decontrol Act and during the first special session of the Eightieth Congress, by Public Law 395, is as broad as it was during the war years. The same powers are provided for in H. R. 1661, and the policies which govern the administration of such controls and the purposes to be accomplished are specifically set forth in section 2. Generally speaking, they are to protect the domestic economy by limiting exports of scarce materials, and to channel exports to countries where need is greatest and where our foreign-policy and national-security interests would be best served.

The determination of what commodities shall be controlled and the fixing of export quotas have been delegated to the Secretary of Commerce, but the decisions on such matters are made only after extensive review by an interagency committee on which all interested departments are represented. The supply-requirements situation in the United States, and the urgency of domestic and foreign needs, are carefully considered before the export of commodities in scarce supply at home is authorized.

Export controls were retained after the war to reduce the inflationary effect of abnormal foreign demands upon our supplies. Shortages were widespread, and unrestricted exports would have seriously aggravated the situation. We are still faced with shortages in important commodities, although the domestic and world supply situation has improved since the end of the war, particularly during the past year: the first year of the European recovery program. This has been reflected in a substantial reduction in the number of commodities subject to individual export licensing for all destinations. Lumber, poles, plywood, and gypsum board and lath were decontrolled at the end of 1948, as were some chemicals and drugs, including soda ash, caustic soda, and streptomycin. We hope that there will be continued improvement along these lines, but we must recognize that domestic shortages may become worse, and these controls should be available to meet such situations.

A significant development in the progressive elimination of controls over commodities formerly in short supply has been the establishment of open-end quotas. Where, in the judgment of the interagency committee, the domestic supply situation has not improved sufficiently to permit complete decontrol, it is nevertheless frequently possible to secure agreement upon issuance of licenses without quota restriction against qualified applications. This has permitted advance notice to the Government of intended shipments, without restricting the foreign-trade community in the carrying out of normal international transactions.

For many materials, controls were eased during the latter part of 1948 by means of increased or open-end quotas. Improved supplies of hard fibers permitted open-ending in the fourth quarter of 1948. Coal was placed under an open-end quota in September. In addition, the open-end technique was applied to railway-car parts and equipment, used freight cars, blending agents and certain waxes, some building materials, and reject and off-grade steel.

For most other items quotas were increased substantially. Record production of oilseeds permitted large exports of soybeans in the fourth quarter to European destinations such as France and Germany, which are still very short of fats and oils. Petroleum quotas were increased, and a supplemental quota of 1,000,000 barrels of heavy fuel oil was established in the fourth quarter, when storage capacity in this country was rapidly being filled. With the seasonal decline in housing construction and the achievement of peak levels of building-materials output, quotas for building materials were increased considerably in the fourth quarter.

Metals have been the major exception to this general trend. Steel continued in short supply, and quotas were reduced in 1948. Nonferrous metals became increasingly tighter, and aluminum was added to the "positive list" in August. Meat supplies continued to be scarce, and only a fraction of 1 percent of our supply was permitted to be exported. The decreasing calf population reduced domestic production of calfskins; dwindling imports and large export demands further impinged upon the domestic supply, and this item was added to the "positive list" in November.

If the current trends continue, export control for supply reasons should become relatively less significant. It should be emphasized again, however, that supply-demand situations in the present unsettled state of world affairs are subject to fluctuation, and we must be able to cope with any development in this respect which might adversely affect our domestic economy.

From the viewpoint of the national security and our foreign policy, moreover, there is increasing need for continuance of export controls. The responsibilities assumed by the United States in enacting the Foreign Assistance Act of 1948 have only emphasized the importance of export controls. For some time now, it has been our general practice to fix individual country quotas upon the basis of relative need. Moreover, since March 1, 1948, we have had under individual licensing control shipments of practically all commodities to all European and certain related destinations. This enables us to keep United States exports to Europe within Economic Cooperation Administration-approved programs. It is also being used to give a priority, in effect, to the requirements of the participating countries over those of other European countries. This is in furtherance of section 112 (g) of the Foreign Assistance Act, which provides, generally, that no shipment of a material to a nonparticipating country in Europe may be licensed until the requirements of the participating countries are being adequately met.

Equally important is the close scrutiny which is thus made possible over shipments of industrial materials which may have direct or indirect military significance. In the light of the growing concern of democratic nations over the policies of the eastern European nations, it is quite clear that our national security requires the exercise of such controls to complement export controls over arms, ammunition, and implements of war which are administered in the State Department.

Except for commodities in short supply, shipments to western Europe are being licensed fairly freely; but shipments to eastern Europe have been carefully restricted. It must be kept in mind in this connection that, while we are maintaining strict control over shipments of materials and equipment having potential military significance, we must also in our own interest seek to continue the flow from that area of essential commodities to the United States and at the same time minimize interference with the necessary expansion of east-west trade in Europe.

The present expiration date of these controls is February 28, 1949. We are recommending that they be authorized until June 30, 1951, subject, however, to termination by the President or by concurrent resolution of the Congress should the need therefor cease to exist earlier. As I have already indicated, the domestic supply situation has improved in some respects, and we hope to be able in the coming year to reduce further the number of commodities subject to export control for supply reasons. We also hope that national-security considerations will become less important. I believe, however, that it will be at least 2 years before the beneficial effects of European recovery upon world stability are realized. We should then be much less concerned with the risks involved in permitting unrestricted exports of all commodities to all destinations. Until that time has arrived, the continuance of the present method of flexible controls is an assurance that, whatever develops in the supply situation, we will be able to prevent its aggravation through undue exports.

The CHAIRMAN. Mr. Blaisdell, do you think it is absolutely essential for our national economy, and to strengthen our foreign relations, and for the purposes of national security, to continue these controls?

Mr. BLAISDELL. Yes, sir; that is my judgment.

The CHAIRMAN. You not only control the exports, but you control also the destination of these exports; is that not correct?

Mr. BLAISDELL. With regard to most commodities, that is correct; yes, sir.

The CHAIRMAN. I hope we will not see the condition which occurred repeatedly before we got into the war with Japan, when our stock pile of scrap was sent to Japan and subsequently used against our own people. That could not occur under the controls which you are now exercising; is that not so?

Mr. BLAISDELL. I have every confidence that it could not, sir.

The CHAIRMAN. To what extent have you used the controls with regard to steel products?

Mr. BLAISDELL. Controls have been used very extensively with regard to steel products, Mr. Chairman. As a matter of fact, we have a very large number of types of steel products, and for each of those products a particular amount is decided upon for each quarter, together with the countries to which it may go. This is a long and difficult task, and it could not be accomplished if we did not have the very intimate cooperation of several of the departments of the Government who have a direct interest both in protecting the amounts that are kept in the United States and in determining the countries to which we should allow particular amounts of particular products to go.

This is a process which is going on practically continuously, but once every quarter we set this amount, the applications are made by the various companies for export and are distributed on the basis of these decisions which are made and announced.

The CHAIRMAN. Has industry, as a rule, acquiesced in your authority to regulate exports willingly?

Mr. BLAISDELL. If I were to judge by the kind of cooperation that we have had in working on the volume of commodities available, and the directions in which those commodities should be allowed to move, I would have to say that the industry was enthusiastically in favor of the controls. However, I think that would be a slight exaggeration. Obviously, industry does not care to be regulated if it can be avoided. So that what I am saying is that, in fact, we have had the finest cooperation possible, in spite of the fact that in general industry does not like it.

The CHAIRMAN. I have seen statements in the press to the effect that export licenses have been forged. To what extent has that been true?

Mr. BLAISDELL. The evidence that has been brought out by very careful appraisal, both by congressional committees and by our own investigation would indicate that while there has been a small amount of this, that it is, by comparison with the total volume of licensing done, infinitesimal.

There have been two or three rather dramatic cases which involved, we might say, dramatic witnesses. However, the amounts that have been involved have been very, very small. Counsel is here with me. I would like, Mr. Chairman, to ask him whether there is any correction or addition to that statement.

The CHAIRMAN. Is there ample authority in the law to punish those who engage in that practice?

Mr. BLAISDELL. Yes; there is ample authority.

Mr. OSTROFF. I think you ought to mention also that the cases referred to in the press happened before we instituted the use of a safety paper form of license, which was recommended to us by Government experts from the Treasury Department. I think right now it is practically impossible for those cases to be duplicated. They happened last spring at a time when we were using ordinary bond paper for our licenses, which was rather easy to tamper with. But we now use a tamper-proof type of paper, as well as a validating machine which is also almost foolproof.

The CHAIRMAN. It is your opinion, Mr. Secretary, that the operation of these controls has been very successful and has acomplished the purpose for which they were intended?

Mr. BLAISDELL. It is our judgment that that is the fact. I think it is only fair to say that any operation of that kind, involving literally millions of transactions, to carry it through without any difficulties would be asking the impossible. That is no excuse for anybody being slack in his administration. But it is a recognition of the situation.

I think that, having had considerable to do with the administration of this legislation, I can feel proud of the people who have carried through a very difficult task under very difficult circumstances.

The CHAIRMAN. Mr. Brown.

Mr. BROWN. Mr. Secretary, I notice that you state that the policy which governs the administration of such controls, and the purpose to be accomplished, are set forth in section 2. "Generally speaking," you say, "they are to protect the domestic economy by limiting the exports of scarce materials and to channel exports to countries where need is greatest and where our foreign policy and national security interests would be best served."

Now, in the case of fats and oils, we have quite a surplus in this country. Why should you want any control as long as we have a surplus of these commodities?

Mr. BLAISDELL. Mr. Brown, the problem with regard to fats and oils is a world situation as well as a domestic situation. It is the judgment, I believe, of the experts—both in the Department of Agriculture and in the Department of Commerce—that the world situation is still a situation of shortage. That unrestricted access to American supplies would result in a draining of the supplies, at a very severe cost to the American people as a whole. Instead of being in reasonably plentiful supply here, the situation would have been just reversed if there had been no export control.

Mr. BROWN. Do you mean to say that the world supply of fats and oils is short at this time?

Mr. BLAISDELL. That is my understanding, sir.

Mr. BROWN. Let me read you what Mr. Loveland said before the Banking and Currency Committee of the Senate. In his statement before the committee he stated that "Edible fats and oils are still in world short supply." Secretary of Commerce Sawyer, in his statement, said, "Exports of edible oil and fats would obviously be decreased by export control. This movement would be facilitated by Economic Cooperation Administration financing. The Economic Cooperation Administrtation tells us it has many requests for assistance in financing oil exports, which it has not been able to grant because allocations have not been forthcoming." Why have these allocations not been forthcoming?

Mr. BLAISDELL. Mr. Brown, I thought I had testified practically identically with what you have just read to me.

Mr. BROWN. I beg your pardon?

Mr. BLAISDELL. I thought I had testified almost identically with what you have just read to me. Did I mistake something?

Mr. BROWN. Well, there are certain sections of the country which produce oils, for instance, cottonseed oil, which they cannot sell because the price paid by the crushers of cottonseed has gone down in the last few weeks, and the farmers cannot sell to the crushers, because the crushers cannot sell oil. The Commodity Credit Corporation has a lot of money in these oils; yet we have the oil and the world needs it. Those interested in the Marshall plan are calling for these oils, and yet we cannot get them over there. Who is responsible for that? I want to know the reason. Especially in view of the fact, Mr. Secretary, that the trend is to lower the price of oils, but the trend has not been reflected in the cost to the housewife who buys these products.

Mr. BLAISDELL. The amounts which have been established as quotas have been amounts that have been agreed to by the various departments, including the Economic Cooperation Administration, the Department of Agriculture, and the Department of Commerce, and the other departments, such as they are, which have a direct interest in this matter, and the amounts actually determined as quotas have been, I believe, amounts which were agreed upon by the experts in this field. The situation, of course, has changed.

Mr. BROWN. Who do these experts represent: your agency or the Department of Agriculture?

Mr. BLAISDELL. Both, as well as the Economic Cooperation Administration and the Department of State, and the other departments concerned. But primarily the most important ones are the Department of Agriculture, ourselves, the Department of State, and the Economic Cooperation Administration. I believe that the Economic Cooperation Administration has no unfulfilled requests before us at the present time.

Mr. BROWN. You stated at the outset of your statement that you are dealing primarily with those commodities which are in scarce supply in this country.

Mr. BLAISDELL. In world short supply, sir.

Mr. BROWN. What incentive do these people who produce these oils have to produce more, as long as you have a great surplus here? I can understand that you should have authority to allocate to friendly nations, but if we have a surplus of any commodity here, certainly it ought to be allowed to go where it is needed. In addition to that, Mr. Secretary, I am informed that oils—cottonseed oil and other oils—are shipped from Brazil to Canada, paid for in American dollars, at the value of 20 cents per pound, whereas the price here in America for these same oils is only 14 cents. Not only that, but I understand that a great deal has been shipped to Italy and paid for in American dollars for more than 20 cents a pound, whereas here in America we are producing oils in great surplus and are not getting more than 14 cents for same. Now, the people of this country are not going to stand for that. If you and the Department of Agriculture cannot get together and arrange for the export of these oils, so that these people do not lose everything they have, you are not going to get your bill through.

I think you ought to have controls, and where we have surplus products, you ought to have the right to say where those products should go, and the Department of Agriculture should have authority to determine how much surplus we have and the amount of this surplus that we can afford to export, and you should pick the countries to which that surplus should be allocated. I think that is your function. The Department of Agriculture represents the farmers and is responsible for getting rid of the surplus. Certainly we should not have a surplus of oils and fats which other countries are crying for.

The Members of Congress are more concerned about this matter than anything that has been before us in a long time.

What are you doing at this time to permit the movement of these oils to other countries?

Mr. BLAISDELL. The first appraisal of the supply situation, with regard to this first quarter of the year, established a particular quota. I do not have the figure in mind at the moment. I do know, however, that very shortly after that was established——

Mr. BROWN. When was that established?

Mr. BLAISDELL. About the 1st of December, or somewhere around that time—very shortly after that, when the later crop estimates became available—it was indicated at that time that there would be larger supplies available than had originally been estimated. At that time a supplemental quota was again approved.

Mr. BROWN. Who makes that decision; you or the Department of Agriculture?

Mr. BLAISDELL. Technically, the decision was made in our department. Practically, it was a decision agreed to by both of the departments. I think we were in complete agreement as to the amounts and there was no difference of judgment at all.

Since that time the situation has apparently been even more favorable, supply-wise, than we had estimated it would be. I believe there are now pending other items which are being discussed between the technical experts with regard to this matter and if the situation indicates that supply-wise, in regard to the world situation and in regard also to our commitments with other countries, that certainly there will be favorable decisions with regard to increasing the existing quotas.

Mr. BROWN. Mr. Secretary, the crushers in my section of the country will all go broke, unless they have some relief and have it soon. They have bought the seed from the producers on the basis of 19-cent oil and are now getting only 14 cents. Many of the producers still have their cottonseed. Are you in favor of getting rid of these surplus oils and fats?

Mr. BLAISDELL. I am sorry, sir. I did not hear your question.

Mr. BROWN. Are you in favor of exporting the surplus fats and oils in this country?

Mr. BLAISDELL. Decidedly, we have been definitely in favor of increasing quotas just as fast as the evidence was there that this country could get rid of them in connection with our agreement with other countries.

Mr. BROWN. Do you mean to say that you have no purchasing countries outside of America, to buy these fats and oils?

Mr. BLAISDELL. I am sorry. I did not hear your question.

Mr. BROWN. You say you want to get rid of them just as fast as you can. Everybody knows that they need oil in other countries. Is there any way to hurry you up? Something must be done immediately.

Mr. BLAISDELL. I think the actions which have been taken, Mr. Congressman, and those which would be taken immediately the reviews now in process are completed, would be in the direction which you have indicated.

Mr. BROWN. I know of several small crushers who will be forced out of business if something is not done. If you cannot give relief, I think we ought to try the Department of Agriculture. I think the trouble is that we have a divided responsibility. The Department of Agriculture says you people do not O. K. the recommendations they make with regard to getting rid of the surplus fats and oils. You people say that is not true, that you O. K. all the recommendations of the Department of Agriculture. Is that true or not? What percentage have you O. K.'d of the recommendations for the exports of surplus fats and oils by the Department of Agriculture?

Mr. BLAISDELL. Mr. Congressman, Secretary Loveland is here from the Department of Agriculture, and I think we have had no difficulty at all.

Mr. BROWN. I want to find out who is responsible for this.

Mr. BLAISDELL. I think I can say with complete confidence that the quotas which have been determined are those quotas which have been agreed to between the two Departments.

Mr. BROWN. Of course, if you do not agree with them, you do not export it.

Mr. BLAISDELL. I think the Agriculture Department has agreed with us on these amounts.

Mr. BROWN. Have you O. K.'d all the recommendations made by the Department of Agriculture relative to exporting fats and oils?

Mr. BLAISDELL. These amounts are agreed to within the committees.

Mr. BROWN. Agreed to how?

Mr. BLAISDELL. They are agreed to in the committees of the departments, composed or representatives of both departments. There is only one case, which I know of. in which there was a minor difference of judugment on a very large amount. This amount, which had to be finally determined by secretarial determination.

Mr. BROWN. After all, the Secretary of Commerce can turn it all down or he can approve it.

Mr. BLAISDELL. That is right.

Mr. BROWN. He has the responsibility?

Mr. BLAISDELL. That is correct, sir.

Mr. BROWN. How much was involved in this amount which you turned down?

Mr. BLAISDELL. My recollection is that the difference was in the magnitude of 10,000,000 pounds. That was an over-all amount. The total involved at the time of that application was the difference between 150,000,000 and 160,000,000.

Mr. BROWN. Well, I will not say it is you, but something has put put the farmer in the light of being the cause of the housewife not getting food made from fats and oils at a lower price. As a matter of fact, the product which he produces, the raw product—fats and oils—is going down and down, while the products made from them, which the housewife has to buy have not gone down to any extent. I do not believe that is right, and the only way to get justice is to follow your policy, as you set out at the beginning of your statement, that we are exporting only items in short supply, and in cases of surplus, you allow the producers to sell if they can find the markets. I think you can help them find the markets. The surplus is so great that the value of these commodities is going down. Is that not true? I am referring to the announcement of an allocation of 109,000,000 pounds the other dav. And in spite of that the market went down.

Mr. BLAISDELL. It is my impression that the market went up after the announcement of that allocation, but I am not sure.

Mr. BROWN. I want to find a way to get rid of these surplus fats and oils. And if the value of them is going down, I certainly want to see that downward trend reflected in the products which the housewife has to buy.

Mr. BLAISDELL. We certainly are in agreement on that.

Mr. BROWN. I do not see why fats and oils should be sold in Brazil and sent to Canada, Italy, and other countries at 6 cents a pound more than we can get for them here—and they are paid for in dollars provided by the taxpayers of America. We just cannot justify that.

Mr. BLAISDELL. With regard to these purchases to which you refer, I am sorry I am not informed about those, so I cannot be of any help. I do know this, however, that this fats and oils market, that there are distortions in it at the present time due to these various adjustments which are being made, postwar, and that it is only very slowly that they do come into adjustment.

We have been adjusting our export totals upward right along, just because this situation has been in a state of flux. The supplies that have been available have gone down elsewhere, and they have gone up here. This calls for constant readjustment. We have taken every possible step that we thought was wise in order to hold the situation as stable as possible, and I assure you that adjustments will continue to be made on the basis of all the information we can get.

Mr. BROWN. But we cannot wait on your adjustments. You know, yourself, that there is a great surplus in fats and oils. People cannot wait until you make the adjustments. You say yourself that you ought to have control over scarce materials. I agree with you. But I cannot see why you do not place the surplus fats and oils under a general order—you picking the countries to which fats and oils can be exported. I have never been in favor of any kind of control where we have a large surplus. Even in the days of the Office of Price Administration, I was not in favor of controlling items of which we had a surplus. The way to cure inflation, I have always been told, is through full production. How are we going to maintain full production unless the producers have some incentive to produce? I think our people are getting rather tired of this buck passing between the Department of Commerce and the Department of Agriculture. I think the responsibility should be placed somewhere, and somebody should be held responsible.

As a matter of fact, a good suggestion might be that the Department of Agriculture who are in a position to know how much surplus we do have, should be permitted to determine how much of that surplus should be sent abroad, and then leave it to your agency to decide to which country it should go. I think if you did that, you might get results. But as it is, you say you are increasing exports slowly, as you see the need. But the need has been there all the time, for many months. That is no solution at all. These people cannot hold their oils much longer.

Don't you think it would be a good idea, in view of the Commodity Credit Corporation having large sums invested in these oils, to have the oil shipped to foreign countries under the Marshall plan rather than to give Brazil 6 cents per pound more for the oils to be sent abroad?

Mr. BLAISDELL. I do not have the facts regarding which you are expressing a judgment, so I would hesitate to express any judgment.

Mr. BROWN. If you find out that I am in error, in any statement I have made, I will strike the whole statement from the record. That is fair enough, is it not?

Mr. BLAISDELL. I am not questioning it, sir. I do not have the information.

Mr. BROWN. Well, if you do not have the information, you ought to send somebody here who does have the information. I do not mean to be discourteous to you, but the whole thing is you have a divided responsibility between your Department and the Department of Agriculture. Do you not agree with me that the Department of Agriculture is in a better position to know the amount of surplus we have?

Mr. BLAISDELL. I would agree that the Department of Agriculture has been of very great help, and I would also have to call you attention to the fact that the Agriculture Department has agreed with the actions which have been taken. We have not forced anything down their throat.

Mr. BROWN. Do you think, then, that if we have the surplus that I have just stated we do have, that we should keep it, and let the commodity go down in value and break all these farmers and small processors who are holding these products?

Mr. BLAISDELL. That is a different matter. The judgment of the technical men, with regard to the magnitude of the quotas, is certainly the judgment which has had to be followed in this case.

Mr. BROWN. Do you mean to tell me that the Department of Commerce would know more about agricultural commodities than the Department of Agriculture?

Mr. BLAISDELL. That is just the point I have been making, sir, that the amounts which have been decided have been decided by agreement between the two Departments.

Mr. BROWN. When was that decided?

Mr. BLAISDELL. They are decided right along. That is the way we do it. It is by constant consultation.

Mr. BROWN. Well, we have had the surplus in oils and fats for months and months.

Mr. BLAISDELL. And action has been taken just that way.

Mr. BROWN. I know, but the action taken by piecemeal is so small that it does not afford any relief at all.

Mr. BLAISDELL. The interesting thing, I think, sir—and again I stand to be corrected by the men who are far more expert in the matter of fats and oils than I would ever pretend to be—the impression that I have is that the supplies which have become available have been much larger than any one, either in the trade or in the Government, was aware of, or to predict.

May I turn to the Department of Agriculture people who are here? Am I correct in that or am I not?

Mr. TRIGG. It is true that the crop reports, estimates which come out monthly, have indicated that these supplies are becoming greater at each time, to some extent.

Mr. BROWN. Well, I think, we should have some relief, even if it has to be decontrolled, as long as we have a surplus.

I understand that the production of soybean and cottonseed oil this season is expected to be 600,000,000 pounds above last year's production. Is that true?

Mr. BLAISDELL. I would have to ask the experts in the field, sir. I am not qualified to testify on that point.

Mr. BROWN. All right. Ask them.

Mr. TRIGG. I prefer, if I may, sir, to check the crop report on that. I am not sure that that figure is too far off one way or the other, but before putting it in the record, I would like to have the privilege of putting in the exact crop estimate report.

Mr. BROWN. Would you mind getting that? It is near that, is it not?

Mr. TRIGG. Yes, sir; it is near that. If we may have the privilege of putting the exact figure in the record, we will do so.

Mr. BROWN. There is a surplus of edible fats and oils available for export, from February 1 to July 31, of at least 500,000,000 pounds, I have been told. Is that true?

Mr. TRIGGS. It is near that; year, sir.

Mr. BROWN. Now, this surplus is reflected by a serious decline in prices. The price of crude cottonseed oil has declined from 42 cents per pound in May 1948 to 20 cents a pound in November 1948. That is more than 100 percent decline. And to 14 cents per pound currently. Yet none of this decline is reflected in the prices of the products made from these oils which are bought by the housewife.

Cottonseed sold for $80 a ton in November, and it is selling for $50 a ton today. Now, the farmers who have held cannot sell, the crushers cannot sell at the price and will not buy what the farmer has now. We are just piling up surplus after surplus. And yet foreign countries are in need of these products.

Mr. BLAISDELL. Mr. Congressman, the information which has just been handed to me is that the quotas which have already been established are still underapplied for by some 20 percent.

Mr. BROWN. I did not understand that.

Mr. BLAISDELL. I say the quotas which have been established are some 20 percent underapplied for still. That is, under the quotas established, there is still available for export, some 20 percent which no one has yet come forward to apply for.

Mr. BROWN. Well, why do you not issue a general license for these commodities?

Mr. BLAISDELL. That would not produce the buyers, even to take care of these quotas which have been established. There are other reasons also and very important ones.

Mr. BROWN. Well, it is a peculiar thing to me.

Mr. BLAISDELL. The whole fats and oils situation, just as our grain situation, has been under an international agreement, as well as under this type of control. The necessity for keeping commodities when in world short supply, in balanced relationship, has been the reason for this international agreement.

Now, our hands have not been tied so far by that agreement, in any way, but it is still necessary that we maintain those agreements. As the situation eases, in the future, we will then remove the restrictions entirely. But so far the limitations of quotas have not been the limiting factors.

Mr. BROWN. Mr. Secretary, I cannot understand why you would not be in favor of a general license for these specific commodities, especially when we have such a great surplus. I think that at the present time you should issue a general license, not only in the case of fats and oils, but in relation to all commodities on which we have a large surplus.

If the Department of Agriculture can state, "We have a surplus in certain commodities," and state how much of the surplus we can afford to export and you make the allocation that probably would give relief. If you do not do that, and if you do not give the Department of Agriculture that authority, I certainly think that you should issue a general license, and not take up every little item shipped by every exporter in the United States.

Mr. BUCHANAN. Just one question on this subject. What would happen if you issued a general order and were to take off restrictions on fats and oils for a 30- or 60-day period, Mr. Secretary?

Mr. BLAISDELL. It is rather difficult to say.

Mr. BUCHANAN. You say there is an unused quota there of about 20 percent in the last quarter.

Mr. BLAISDELL. At the present time; yes.

Mr. BROWN. You understand, Mr. Buchanan, I do not agree with him about that at all.

Mr. BUCHANAN. Well, he furnished figures to that effect.

Mr. BLAISDELL. I simply gave you the statement as given to me by the operating people.

Mr. TALLE. Mr. Chairman.

The CHAIRMAN. Mr. Talle.

Mr. TALLE. Mr. Secretary, will you turn to page 3 of your statement, please?

Mr. BLAISDELL. I have it.

Mr. TALLE. Toward the bottom of the page, you stated:

> The determination of what commodities shall be controlled and the fixing of export quotas have been delegated to the Secretary of Commerce, but the decisions on such matters are made only after extensive review by an interagency committee on which all interested departments are represented.

What are the interested departments that made up this interagency committee;

Mr. BLAISDELL. The principal departments of the Government are represented on that committee. In addition to the Department of Commerce, the Department of State, the Department of Agriculture, the Department of the Interior, Economic Cooperation Administration, also the Atomic Energy Commission, the Military Establishment, the housing agencies, Department of Labor. The full list is given on page 34 of the fourth quarterly report.

Mr. TALLE. How is that done? Does your Department come to a tentative decision which you submit to this interagency committee?

Mr. BLAISDELL. No, sir. The way in which it is done is that there is a continuing interdepartmental structure here which we call the Advisory Committee on Requirements, on which all of these departments are represented.

There are numerous subcommittees of that group dealing with particular commodities. They are meeting constantly, informally; once they have brought their data together, that department which has the most direct interest usually brings forward the recommendations on which the technical people from the various departments consult.

In the case of fats and oils, for example, the immediate recommendations are usually brought forward by the Department of Agriculture, although the industrial sections of our own Department, which also maintain information, bring in their own estimates. These estimates are brought together by the technical people, who then bring forward to the full Committee their recommendations, and only in rare cases are there changes made in those recommendations for reasons of policy that may not appear in the technical ranks.

This is a regular procedure. It is not an irregular thing that happens on call or anything of that sort. It is a very regularized procedure so that the Secretary of Commerce may be fully advised before he make decisions on matters that are much broader than simply the jurisdiction of the Department of Commerce.

Mr. TALLE. In the event the State Department, let us say, found it would be inadvisable to ship a certain commodity abroad, even though it were not at the moment in short supply here, would that be licensed, too?

Mr. BLAISDELL. Yes, sir; that would be considered in this same interdepartmental committee structure.

Mr. TALLE. I remember 10 years ago, when I tried repeatedly to stop scrap iron and oil from going to Japan and got nowhere. That does not have to do directly with you, as my communications then were with the State Department, but it is a case in point. Is oil under control now?

Mr. BLAISDELL. Yes, sir.

Mr. TALLE. It has been, has it not, since the war ended?

Mr. BLAISDELL. With the exception of a few months when it was not under control, substantially that is correct.

Mr. TALLE. These decisions, of course, must be matters of judgment. What is an expert, Mr. Secretary?

Mr. BLAISDELL. Presumably one of the men who has spent most of his time in working on a smaller segment of some of these materials than some of the rest of us who have to look at a number of them.

Mr. TALLE. A farmer friend of mine out in Iowa told me during Christmas time that an expert is just an ordinary fellow from a neighboring town.

Mr. BLAISDELL. It is sometimes said "a fellow a long way from home."

Mr. TALLE. Coming back to oil, I remember a good many Members of Congress had a terrific time trying to stop high octane gas from going to Russia. One tanker is said to have left the west coast even after it was very clear that somebody on the other side of the Atlantic Ocean did not like us very well. Matters of that kind, of course, we cannot do much about if the Department decides to go ahead that way, once the authority is granted?

Mr. BLAISDELL. That is correct, sir.

Mr. TALLE. On page 4 of your statement, at about the middle of the page, I quote:

> A significant development in the progressive elimination of controls over commodities formerly in short supply has been the establishment of open-end quotas.

Can you rather briefly illustrate by a single commodity how that works? I refer to open-end quotas.

Mr. BLAISDELL. What it amounts to, Mr. Congressman, is this: Take one of these that is indicated here—caustic soda. Here we simply say, "You will apply for a license, but we have not established a specific quantity for a particular country and the license is granted automatically so long as we are shipping to that country and there is no limit on a specific quota for that country."

It is a simple process of knowing in advance what is going to happen without putting any quantitative limit on it. That is what it amounts to in effect.

Mr. TALLE. On the next page you refer to soybeans. Do you have figures indicating the present surplus of that commodity?

Mr. BLAISDELL. I do not have it at hand, but they could be readily supplied. Maybe the Department of Agriculture people have those data with them. However, we can supply it for the record if you would like to have them.

Mr. TALLE. And while that figure is being obtained, I should like to have the Department of Agriculture indicate what percentage of the whole surplus is likely to be stored in the State of Iowa this year.

Mr. BLAISDELL. We will do our best to provide those figures.

Mr. TALLE. A little farther down on page 5 you state:

> The decreasing calf population reduced domestic production of calf skins—

and so forth. And you referred to the meat shortage. What percentage of our meat do we normally get from the dairy herds of our Nation?

Mr. BLAISDELL. I will have to call on some of those experts again, I am afraid, sir.

Mr. TALLE. All right. I submit that for answer by the experts at their convenience.

At the same time I should like the experts to indicate the reduction in number of dairy cattle since about 1944 or 1945.

(The information referred to is as follows:)

Dairy herd population

1944	27,704,000
1945 (all-time high)	27,770,000
1946	26,695,000
1947	26,100,000

January 1948 estimated dairy herd population is 25,165,000.

NOTE.—There are no accurate figures on percentage of meat supply derived from dairy herds. However, an estimate can be made, based on the fair assumption that most canner and cutter beef comes from slaughter of dairy cattle, that 5 to 7½ percent of total supply of meat, including beef, lamb, and pork, results from slaughter of such cattle.

Mr. TALLE. Now, turning to page 7 of your statement, I note in the lower part of the page this statement:

I believe, however, that it will be at least 2 years before the beneficial effects of European recovery upon world stability are realized.

But on page 4 of your statement, near the top of the page, you say—

We are still faced with shortages in important commodities, although the domestic and world supply situation has improved since the end of the war, particularly during the past year, the first year of the European Recovery Program.

Is it necessary for 2 years to elapse before those benefits can be enjoyed?

Mr. BLAISDELL. Well, the program is a long-range program. The immediate effects have been very good. Much of the results of this first year have been beyond estimate, let us put it that way. That is not entirely fair, however, and certainly full credit should not be given to the recovery program when a certain proportion of it is due to the weather.

Mr. TALLE. That is exactly my point because 1947 was a bad crop year, and 1948 was a good crop year in Europe.

Mr. BLAISDELL. That is correct.

Mr. TALLE. I saw with my own eyes that the improvement was great last year as against conditions which existed the year before.

Mr. BLAISDELL. It was a dramatic change.

Mr. TALLE. So whatever we do here in the way of a recovery program, we must always depend on the Lord to give Europe good weather, and we must rely on Him too.

Mr. BLAISDELL. It is very important to have Him on your side, sir.

Mr. TALLE. I agree with you. Thank you.

The CHAIRMAN. Mr. Kilburn.

Mr. KILBURN. If there is a surplus of edible fats and oils, and if the foreign countries won't take up the present quota allotted, why do you want controls continued?

Mr. BLAISDELL. The agreements between the various countries of the world to take amounts produced in various parts of the world are determined by a number of things besides availability of supplies. The purchases which can be made in some parts of the world, of certain types of products, are entirely different from those which can be made in other parts of the world. Just as an example, the copra purchases from the Far East are a very important part of the supplies that come here as well as go to some other countries. There would be agreement not to take some of that in order to make some of it available to other countries. In a world situation of this kind you maintain your control while the adjustments are taking place, rather than to just let it go and find its own level.

The fundamental reason, of course, for maintaining control here, in addition to this situation, is that supplies have been very low in their carry-overs, and until this year we have been definitely on an import basis. Even this year, we could have imported more oils of certain types.

Mr. KILBURN. As I understand it, then, it is an attempt to manipulate and change the exports and imports all over the world; is that right?

Mr. BLAISDELL. If there were not a world-shortage situation, then, there would not be the necessity for maintaining all the controls which have been maintained.

Mr. KILBURN. Apparently there is no world shortage of fats and oils.

Mr. BLAISDELL. There is, sir.

Mr. KILBURN. There is?

Mr. BLAISDELL. Yes, sir.

Mr. KILBURN. Why do these countries not take up our surplus?

Mr. BLAISDELL. Well, there are various reasons: The problem of availability of purchasing power at this time against later, and so on. They will be coming in for purchases at a later time.

Mr. KILBURN. I heard you say something about a fifth quarterly report. Why do you have a fifth one?

Mr. BLAISDELL. The fifth one undoubtedly is for next year. This is the fifth quarter since the requirement was placed upon us to submit quarterly reports to the Congress.

Mr. KILBURN. Thank you.

The CHAIRMAN. Mr. Deane.

Mr. DEANE. Mr. Secretary, I notice on page 4 of your statement you mention certain commodities which have been decontrolled. Would you indicate to the committee the criteria you use in making those determinations?

Mr. BLAISDELL. The criteria?

Mr. DEANE. Yes.

Mr. BLAISDELL. The fundamental criteria are those that have to do with availability. But the fundamental question is always—and this is where you start—what is the world supply situation? The question of availability only in the United States is not sufficient to justify the removal of controls. The second question is availability in the United States. The third, the estimates of requirements which would be made against the United States, and then, the indications, which exist, that the removal would not disrupt things too much.

Mr. DEANE. Does the surplus in this country of a particular commodity enter into your determination?

Mr. BLAISDELL. Oh, certainly.

Mr. DEANE. To what extent?

Mr. BLAISDELL. It is a very important part of the consideration.

Mr. DEANE. The question was directed to you by Mr. Brown, indicating the tremendous surplus of fats and oils. Would that be an important factor in your decision?

Mr. BLAISDELL. Very important.

Mr. DEANE. Is it true that perhaps some commodity in some other country is coming out as a competitive commodity in your decisions involving fats and oils, for example?

Mr. BLAISDELL. Do you mean a substitute commodity?

Mr. DEANE. Yes.

Mr. BLAISDELL. Oh, yes; it is a very important item. In fact, it is one of the most important problems in this whole fats and oils field—that you cannot deal with any one of the products without looking at all the rest of them.

Mr. DEANE. Take, for example, Brazilian peanuts. Do they enter into the question of whether you should decontrol fats and oils?

Mr. BLAISDELL. Certainly.

Mr. DEANE. To what extent?

Mr. BLAISDELL. It would not be nearly as important a consideration, unless it was a very large volume, as would be the consideration of the availability here. But it is a factor.

Mr. DEANE. Like Mr. Brown, I have had a tremendous amount of interest shown in this particular subject, and I have been very much interested in your answers and those of the Department of Agriculture concerning this particular item. It would seem to me that it should cause very serious consideration by the Department of Commerce in arriving at a decision. From Mr. Brown's questioning, it seemed that on that particular item, perhaps, there is a point where you and the Department of Agirculture have very definitely differed. Are there any other such commodities?

Mr. BLAISDELL. I will not say that our differences have any great magnitude, sir. The differences of judgment are 10,000,000 pounds in relation to 15,000,000 pounds—something of that kind.

Mr. DEANE. But I mean, have you differed on this particular item?

Mr. BLAISDELL. At this time I am sure there is no difference of judgment between us.

Mr. DEANE. As a part of the record, Mr. Chairman, I wonder if it would be in keeping with your policy to include page 44 of the fifth quarterly report in the record, Export Control and Allocation Powers, indicating a table showing the 1948 United States import allocations of certain fats and oils as recommended by the International Emergency Food Committee?

The CHAIRMAN. Without objection, it will be inserted in the record at that point.

(The document referred to is as follows:)

VII. FATS AND OILS

ALLOCATIONS RECOMMENDED BY THE INTERNATIONAL EMERGENCY FOOD COMMITTEE FOR IMPORT INTO THE UNITED STATES[1]

This table shows the 1948 United States import allocation of certain fats and oils, as recommended by the International Emergency Food Committee of the United Nations Food and Agriculture Organization. The IEFC recommends country-by-country export and import allocations to the United States and 34 other member nations. Only the fats and oils listed below are subject to this international allocation procedure. Butter, for example, is not under IEFC allocation, but available supplies are considered in the recommendations made for other fats and oils.

[Metric tons]

Commodity and source	Amount	Commodity and source	Amount
Copra or coconut oil:		Olive oil: All sources	23,000
Philippines	246,300		
Netherlands East Indies	5,800	Palm oil:	
Ceylon	5,000	Belgian Congo	28,000
Italian Africa	1,500	Netherlands East Indies	10,000
Liberia	1,000	Portuguese Areas	1,000
Pac. SCAP	8,000		
		Total	39,000
Total	267,600		
Babassu nuts and oil: Brazil	13,000	Rapeseed oil:	
		Canada	2,000
Linseed and oil:		China	2,000
Canada	6,000		
Mexico	2,000	Total	4,000
		Liquid edible oil: Portuguese Africa	100
Total	8,000		
		Total import allocations	356,700
Marine oil: Newfoundland	2,000		

Source: International Emergency Food Committee.

Mr. DEANE. That is all.

The CHAIRMAN. Mrs. Woodhouse.

Mrs. WOODHOUSE. The question has been brought up of the price to the ultimate consumer, the housewife. What effect would increasing your allocations, or taking off controls, have on that retail price? Or is there a relationship? If a surplus is built up in this country, should that not lower the price, provided there is no interference with prices of the raw material, and the processed product which goes to the grocery shelves?

Mr. BLAISDELL. Yes, Mrs. Woodhouse.

Mrs. WOODHOUSE. In other words, increasing the allocation for export would presumably have the effect of increasing the price to the housewife rather than bringing it down; is that not right?

Mr. BLAISDELL. Apparently there has been that effect in some commodities. Certainly in lard the decline has been noticeable. In other products which are highly manufactured, apparently the effect has not been so immediate as where the supplies have become readily available as a raw material.

[1] Revised as of Oct. 31, 1948.

Mrs. WOODHOUSE. The point I was getting at was that the action in your Department, in increasing or decreasing allocation where there was a surplus in this country, of itself would not necessarily have a very great effect on the retail price, as there are many other factors.

Mr. BLAISDELL. Oh, there are certainly many other factors which have very great significance, Mrs. Woodhouse.

Mrs. WOODHOUSE. That is all, Mr. Spence.

The CHAIRMAN. Mr. McKinnon.

Mr. MCKINNON. Mr. Secretary, I understand we are short of steel in this country.

Mr. BLAISDELL. I believe so.

Mr. MCKINNON. And I understand, too, that we are exporting a considerable quantity abroad.

Mr. BLAISDELL. That is right, sir.

Mr. MCKINNON. Do you know if we are exporting steel from our country into Belgium?

Mr. BLAISDELL. I would think that probably there were some steel products that go to Belgium; yes, sir.

Mr. MCKINNON. I have been told by my own city administration authorities that Belgium is sending steel to this country. Firms in this country have been offering steel products processed from Belgium steel which city administrations cannot take, due to charter provisions which require them to use domestic materials. Will you explain to me why we send steel to Belgium and at the same time allow Belgian steel into this country?

Mr. BLAISDELL. I think so, without too much difficulty. Steel, of course, is not just one product. There are many steel products. It has been true for many years—it was before the war and today is still true, although not nearly to the same extent—that steel of certain shapes and of certain types was imported from Belgium to this country, at the same time that we were shipping steel of other types and other shapes to Belgium. This is the normal process of international trade. Figures, as far as we have them—and I am going by my general memory now rather than a detailed recollection—would indicate that at the present time the amounts we are importing are only about one-third of what we imported before the war, and I would expect that as the process of recovery goes ahead, we would probably be importing more steel into the country. But, usually, they are different products, and there is a particular price advantage to be gained at some point in the United States which would not be generally available elsewhere in the United States. That is why this cross shipping takes place. But it does take place normally.

Mr. MCKINNON. Would that be likely to occur just in steel ignots?

Mr. BLAISDELL. I doubt if it would take place at all in steel ignots. It would be in different shapes. The only steel ingots that I can imagine being shipped back and forth this way would be of some specialty steels that might be made here, or in some other specialty steel that might be made in Belgium and not available here.

Mr. MCKINNON. Well, our city administration maintains that it was offered soil pipe, which it needed very badly, but the pipe was manufactured from Belgium steel and processed in this country. We have certain restrictions which made it impossible for us to buy that steel, but we cannot secure soil pipe made from our own steel because our steel is going abroad.

Mr. BLAISDELL. There is a very limited amount of soil pipe exported.

Mr. McKINNON. I am talking about raw steel. The pipe is processed here. We were told that Belgium is exporting some 4,000,000 tons of steel this year, and that at the same time we are exporting a considerable quantity of steel.

Mr. BLAISDELL. We are not importing 4,000,000 tons in this country.

Mr. McKINNON. No; some of it is going to other countries.

Mr. BLAISDELL. I am sure that is true.

Mr. McKINNON. But we are taking some of that steel.

Mr. BLAISDELL. I am sure that is true, but it is a very small quantity and I am practically certain that it is limited to these specialty items in which there would be a particular price advantage at a particular point, which would not be generally true throughout the country.

Of course, from the standpoint of the payment for exports, the more we can import from those countries, the better off we would be.

Mr. McKINNON. That is true, but it seems rather odd that we should be short on certain commodities, which could be made from the same steel being sent abroad, and getting that similar steel as an import.

Mr. BLAISDELL. Well, there is a question of geographical production, I am sure. I can remember very well the days before the war when you could buy Belgian steel rails in New York cheaper than you could buy them from Pittsburgh.

Mr. McKINNON. We are living under a different set of circumstances today, however.

Mr. McINTYRE. If the chairman will permit, I have an actual figure for total shipments of all pipe and tubing to Belgium and Luxemburg. The annual rate for 1948, based on data for the first 6 months, shows that the annual rate of shipment of all pipe and tubing, very little of which would be soil pipe, is less than 900 tons. So that it is just a very minor amount, almost nothing at all, compared to normal movements of the material.

Mr. TALLE. Would you yield to me for a question, Mr. McKinnon?

Mr. McKINNON. Certainly.

Mr. TALLE. Do you have a like figure for Holland?

Mr. McINTYRE. Yes. The annual rate for 1948, based on the first 6 months, for pipe and tubing to Holland is 9.7, or 10,000 tons. Something under a thousand tons a month would be the rate indicated.

Mr. McKINNON. I still do not think that quite answers the point. The point is that from steel we make many things, including soil pipe. I do not say we are sending out manufactured items to Belgium, but we are sending steel ingots which could be used in this country.

Mr. BLAISDELL. I doubt whether we have any ingots coming in from Belgium, but I do not have the data. I could find out for you if you would like to have me do so.

Mr. McKINNON. I wish you would put the data in the record.

(The information referred to is as follows:)

STEEL TRADE WITH BELGIUM

For first 9 months, January–September 1948, there were no imports into the United States from Belgium of any form of raw or semifinished steel. Similarly, no such steel products were licensed during that period to Belgium. Our steel trade with Belgium is confined to tin plate, which is used there for food packing; small quantities of steel sheets; and stainless steel in a few forms. We import from Belgium certain special structural shapes and some concrete reinforcing bars.

Mr. MITCHELL. Mr. Chairman.

The CHAIRMAN. Mr. Mitchell.

Mr. MITCHELL. Mr. Secretary, may I ask you when lumber was decontrolled? You say in your statement the end of 1948.

Mr. BLAISDELL. Yes; it was during that last quarter.

Mr. McINTYRE. It was done right on the last day of the year, effective January 1, 1949.

Mr. MITCHELL. Was that news announced before that date?

Mr. McINTYRE. Yes.

Mr. MITCHELL. I ask that because of a letter I have from the Pacific Coast Lumber Exporters Association, which states in part—

The Office of ECA still supervises and licenses all export lumber shipments.

Mr. BLAISDELL. That is a slight misstatement or misunderstanding, I am sure, on the part of the association, because we have had a great deal of conversation with these various associations, and the Economic Cooperation Administration would have the authority for the assignment of funds to pay for exports which might be approved. Actually, my recollection is that during the fourth quarter, the lumber quotas were far undersubscribed, and that is the reason it was placed on open-end license.

Mr. MITCHELL. Well, the lumber industry contends that they have been in overproduction for about 6 months. Actually, their figures, as given to me, show that their production has been greatly over orders during the last 5 months of 1948. What is the lag between that overproduction situation and your action on such an item?

Mr. BLAISDELL. In this case there was no actual lag at all, because the quota was completely ineffective, as far as limiting the amount that might be shipped is concerned. The quotas were never subscribed.

In other words, we set an amount which we knew to be generous. It was so generous that when you came to the end of the quarter there was still a great deal there yet to be taken, and no takers.

Mr. MITCHELL. Then, the lumber industry, which says, "We have to shut down our mills because we have controls on lumber export" were using that as a reason for cutting down on their mills?

Mr. BLAISDELL. They would be probably misinterpreting the situation—I would assume not consciously, but thinking that they might be able to get orders which they have not got, and that the control might be interfering with their getting orders. But there would be no direct connection between the two.

Mr. MITCHELL. Some of the mills are still saying that the situation is so chaotic that they do not know just when they are going to open up. Do you think they are justified in saying that you may reinstitute controls some time in the future, and, therefore, they will have to look over the situation very carefully before starting production again?

Mr. BLAISDELL. Well, I would feel that they were being much less courageous than most of the businessmen that I know of, if they were to allow this incipient possibility to deter them.

Mr. MITCHELL. I would not say whether they will allow it or not. Do you think they will use it as an excuse?

Mr. BLAISDELL. I doubt it very much.

Mr. MITCHELL. Who initiates decontrol? Is it merely based on whether the quota is subscribed or not, or is it based on production?

Mr. BLAISDELL. That would be only one factor, the amount of the subscription of the quota. There were some people in the Government who, in the third quarter, thought lumber should be decontrolled. As a matter of fact, in the second quarter, if my recollection is correct, Mr. McIntyre made a long trip to the west coast, where he talked with all of the lumber people, and he had the feeling that it might be just as well to decontrol.

Am I stating that correctly, Mr. McIntyre?

Mr. MCINTYRE. That is correct.

Mr. BLAISDELL. But when we got back here, there was a great deal of other information available, and it was felt that there was some question about it. So the quotas were established in such a way that if the situation was as tight as some people claimed, it would be unsound. Actually, it turned out that the earlier judgment would have been sound. Actually, the way it was handled, there was no evidence that anyone was actually hurt by the control. The thing that hurt them was the lack of orders.

Mr. MITCHELL. Do you have the figures showing the disparity between the quota and the actual orders under the quota?

Mr. BLAISDELL. I do not have them in mind, but I am sure we can supply them. Mr. McIntyre says he can give it approximately. Perhaps I have taken his name in vain, and he can correct me if I am wrong.

Mr. MCINTYRE. May I supplement what Mr. Blaisdell has said with respect to this last point?

The occasion of my visit to the west coast was actually somewhat earlier than he indicated, being in the very late fall of 1947 rather than the spring of 1948. I was satisfied at that time that there was much to be said for decontrol of lumber and raised that question with the staff.

There were, however, other factors which led the housing agency and others interested in the domestic lumber supply to conclude that it would be premature, and the greatest single factor in this instance was a special one: it was the very large United Kingdom requirement for lumber, which was just a threat on the domestic supply situation. It did not materialize. As a matter of fact, I think that it was the principal reason that controls were continued for two quarters beyond what would otherwise have been the case. It was always felt that if the market were suddenly hit with several hundred million feet of new orders for western Europe—and it seemed likely last summer that the Economic Cooperation Administration would place such orders—then, the domestic situation would still perhaps have been too difficult to justify decontrol. But the quotas were established at such levels that no exporter who came forward with a normal bona fide order was denied a license. No one can say that a normal export transaction was interfered with or prohibited by the export controls that were in operation. It became evident by December of 1948 that even if the threatened western European demand did materialize, the domestic market would stand it, and complete decontrol action was taken at the end of that month. Thank you.

Mr. MITCHELL. That is all, Mr. Chairman.

The CHAIRMAN. Mr. O'Hara.

Mr. O'HARA. Mr. Secretary, what method is being pursued now in the distribution of licenses?

Mr. BLAISDELL. There are several methods. I assume you have reference to the distribution between exporters.

Mr. O'HARA. Exporters and producers.

Mr. BLAISDELL. Well, I was including the producers among the exporters.

Mr. O'HARA. Well, let us say the exporting merchants and the producing exporters.

Mr. BLAISDELL. Right. There is no hard and fast rule for dividing licenses in any given quantity between exporting merchants and manufacturing exporters.

The actions which have been taken have varied between various industries, and it has been our custom to call in the representatives of the industries, in which all types of exporters were represented, to discuss with them fully the way in which we were to take care of these particular applications at particular times, and the steps which we have taken have been those which were indicated in our discussions with the industry as decisions which seemed to them reasonably fair.

Different sectors of the various industries have always thought that they would like to have more than they got. But by and large, I think we can say that there has been agreement among them that we have done a fair job where it was not possible to give everybody everything he wanted.

In the case of certain steel products, there was an understanding, within the industry, that the break-down should be somewhat in the same proportion that took place before the war. I think that was roughly 60 to 40, something of that kind.

The attempt was made to hold that same relative proportion.

In other cases we have adopted the principle that insofar as the item was so far oversubscribed that no percentage rule would do any good, and we have established a minimum merchantable amount that could be handled efficiently, and we said that everybody who came in would get that amount, up to the amount of the quota, and that the people who did not get taken care of would be taken care of the next time around—the next quarter.

We have also had to modify that rule from time to time.

There have been any number of methods adopted—break-downs, because some industries handled their products almost entirely through manufacturing exporters and others handled them almost entirely through merchants and brokers. But I think that will give you a general idea of the way in which it has been handled, certainly, at least, in two extreme cases.

Mr. O'HARA. Distinguished gentlemen from my city, Chicago, representing new exporters, or those desiring to get into the exporting business, have told me that they have had difficulty in getting a considered hearing.

Mr. BLAISDELL. I would say that cannot be the fact, sir. They certainly have gotten a considered hearing. I would think it is a fact that they have had difficulties, because, particularly in those commodities where, for a long period, the amounts that were being exported were less than the historical amounts, we had to limit the amount that was given to new exporters to a very small percentage of the total which was available. My recollection is that we limited it to about 5 percent.

Is that not true, Mr. McIntyre?

Mr. MCINTYRE. Newcomers?

Mr. BLAISDELL. Yes.

Mr. MCINTYRE. Fifteen percent.

Mr. BLASIDELL. Fifteen percent for newcomers; that is right. As supplies became more available and when we got to exporting amounts larger than those before the war, then, we expanded the percentage to new exporters just as fast as it could possibly be done.

One of the things that I personally have been very much concerned about has been whether new exporters and whether small exporters were getting what we would call a fair break against the larger ones. If it were a question of proportion of time, we have given more time, I would guess, to this particular problem than almost any other one thing.

I am not satisfied with the solution, and I am never going to be satisfied with it, because as long as there is control, the problem is going to be with us, and we are going to have to shift from quarter to quarter, we are going to continue our consultations with the industries, with their representatives, with the merchant exporters, the manufacturing exporters, and all classes, big and little. As I say, we are never going to be happy with it, because there is no complete or final solution.

Mr. O'HARA. I take it, Mr. Secretary, that it was with that thought in mind, of preventing as much as possible a monopoly in exporting, that you departed, in part at least, from the historical basis?

Mr. BLAISDELL. That is exactly correct.

Mr. O'HARA. And your every effort now is bent toward preventing the development of that kind of monopoly.

Mr. BLAISDELL. That is correct, sir. We have felt that was sound policy. We have repeated comment on it from different committees of Congress, and I just hope we can continue as we have been going on in that way.

Mr. O'HARA. One other question, Mr. Secretary: In the event that someone applying in behalf of a new exporter should be dissatisfied, is there a board or a committee or a group to whom he can appeal?

Mr. BLAISDELL. There is sir.

Mr. O'HARA. What is that?

Mr. BLAISDELL. There is an appeals board, which is directly responsible to me, and that board is primarily concerned with whether any individual has suffered hardship, uncovered by the regulation so that he could not know about it, could not know what he was getting into, or where any injustice had been done in handling his application.

Mr. O'HARA. Thank you.

The CHAIRMAN. Mr. Wolcott.

Mr. WOLCOTT. Mr. Blaisdell, in section 6, under "Enforcement," do you understand that you have the authority to subpena any person, in any business, regardless of whether they have made application for an export license?

Mr. BLAISDELL. My impression, sir, at the moment, is that we have no authority to subpena anyone under any circumstances.

Am I correct, Mr. Ostroff?

Mr. OSTROFF. That is correct. This is a new provision. But it does not apply to everyone or any purpose. You will notice it is prefaced by a statement.

Mr. WOLCOTT. I have the preface in mind: "To the extent necessary or appropriate to the enforcement of this act."

Mr. OSTROFF. Yes.

Mr. WOLCOTT. Then, the power of subpena—it states that you can go into the district court and get an order, and if he refuses to testify, he is under contempt of court under that order.

Now, it is necessary and appropriate, surely, to the enforcement of the fact, let me put it that way, that you find out the over-all picture with respect to any particular commodity, is it not?

Mr. BLAISDELL. Yes, sir.

Mr. WOLCOTT. That would give you, under that language, the authority to subpena anybody and anybody's records?

Mr. BLAISDELL. I am sure that is not the intent, sir; no, sir.

Mr. OSTROFF. I think technically you are right; that could be done. But that was not intended.

Mr. WOLCOTT. Well, we can fix that up. All you want is the authority to subpena the records of persons who have made application for export licenses.

Mr. BLAISDELL. That is correct, sir.

Mr. OSTROFF. I would add, Mr. Blaisdell, any persons that we have to deal with in connection with the administration of the act.

Mr. BLAISDELL. It is an enforcement problem.

Mr. OSTROFF. When we were before certain other congressional committees, they were concerned with what they felt was lack of enforcement, and they asked us, among other things, for our suggestions as to what changes would be necessary and this is one of the proposals that came out of that discussion.

Mr. Wolcott. In subsection (c), section 6, on page 5, with respect to the confidential nature of this testimony—who deems it confidential? As I understand the language, it says:

No department or agency exercising any function under this Act shall publish or disclose information obtained hereunder which is deemed confidential.

Mr. Ostroff. That would be done by the head of the agency or anyone that was delegated by him for that purpose.

Mr. Wolcott. Then, it goes on to say, "or with reference to which a request for confidential treatment were made" by the person. Then, you get right back to your original premise by saying, "unless the head of the agency determines that the withholding is contrary to national interest." So in either event, in all cases, the head of the department determines whether the matter should be considered confidential; is that not right?

Mr. Ostroff. I think that is right, but only on the basis of an expressed finding. Those were put in as safeguards, I think, to reach just the point that you have in mind, Mr. Wolcott.

Mr. Wolcott. Why should not a person have the protection of requesting you to consider information which he gives to you confidential?

Mr. Ostroff. I think he specifically has that.

Mr. Wolcott. No; I have to disagree with you on that. He has that, yes, unless the head of the department determines that the withholding of the information is contrary to the national interest. That is a pretty broad statement.

Mr. Ostroff. That would have to be a rather specific finding in a specific case.

Mr. Wolcott. All the head of the department would have to do would be to say that the withholding of this information is contrary to the national interest, without giving any reasons at all. There are no standards in here.

Mr. Ostroff. I think you will find that that is a fairly standard provision. I do not have handy the citation to other statutory provisions of the same sort. We had in mind very definitely providing the safeguard that you are thinking about: That only where there is a matter of national interest involved would the department override a proper request by a businessman for the information obtained from him to be kept confidential.

Mr. Wolcott. Under this language, it might be considered in the national interest by the head of the department that a competitor of a person making an application for export license be given the information in order that he might adjust his production to the situation.

Mr. Ostroff. I would point out to you in that connection that at the present time, without such a direction from Congress, it is our practice to keep just that sort of information confidential. We certainly would not go beyond that. If anything, we had in mind limiting the extent to which we already disclose information.

We are often asked to disclose information which we feel should not be disclosed, and we wanted to have a specific direction from Congress that the failure to disclose was proper. I do not think you will find that an agency would use "national interest" in a general, loose, or careless way. I think the whole notion there is that all doubt should be resolved against disclosing information.

We certainly would have no objection to a provision that would make that type of finding specific.

Mr. WOLCOTT. That is all.

The CHAIRMAN. That concludes the hearing this morning.

Mr. Secretary, we are very glad to have your testimony. Thank you for appearing.

We will recess to meet at 10:30 tomorrow morning, and at 2 o'clock the Rules Committee will hear our application for a rule on H. R. 1660.

(Whereupon, the committee recessed, to reconvene at 10:30 a. m. Tuesday, February 1, 1949.)

EXPORT CONTROL ACT OF 1949

TUESDAY, FEBRUARY 1, 1949

House of Representatives,
Committee on Banking and Currency,
Washington, D. C.

The committee reconvened, pursuant to adjournment, at 10:30 a. m., the Hon. Paul Brown presiding.

Present: Messrs. Spence, Brown, Patman, Monroney, Hays, Rains, Buchanan, Deane, Mrs. Woodhouse, Messrs. McKinnon, Dollinger, Mitchell, O'Hara, Wolcott, Talle, Kilburn, Cole, and Hull.

Mr. Brown. The committee will come to order.

We will continue the hearings on H. R. 1661.

I will recognize Mr. Bell.

STATEMENT OF GEORGE L. BELL, ASSOCIATE DIRECTOR AND ACTING DIRECTOR, OFFICE OF INTERNATIONAL TRADE, DEPARTMENT OF COMMERCE

Mr. Bell. I wanted, at the request of the Assistant Secretary of Commerce, to put into the record a press release given out this morning by our Office of International Trade, of which I am Acting Director. It has to do with one of the subjects Mr. Blaisdell testified about yesterday, which had been under consideration by our interagency committee. It refers to inedible oils, and effective as of February 7 various inedible fats and oils listed in this press release are removed from the "positive list" of goods requiring specific licenses. It includes soaps, flaxseed, linseed oil, fish oil, olive oil, fats, inedible tallows and greases, stearic acid, oleic acid, pig's-foot oil, fatty acids of vegetable origin, vegetable-oil foots, except olive-oil foots, vegetable soap stock, including vegetable tallow if used for soap stock. These products were decontrolled because of generally improved supplies. United States prices of these products are lower than they have ever been at any time since the removal of the Office of Price Administration price ceilings, and the prospects for increased production during the next half year are good.

Office of International Trade officials, however, pointed out that existing regulations governing all shipments to Europe remained in effect for these commodities as they do of course, for all commodities whether or not they are on the positive list.

Mr. Brown. That will be placed in the record.

I am awfully sorry you did not go a little further because we have such a large surplus of edible oils.

Mr. Bell. As Mr. Blaisdell said yesterday, the committee had that under constant review.

Mr. Brown. Very well. Thank you, Mr. Bell.

(The document referred to is as follows:)

[For immediate release, Tuesday, February 1, 1949]

UNITED STATES DEPARTMENT OF COMMERCE

OFFICE OF INTERNATIONAL TRADE

Controls will be removed effective February 7 from the export of most inedible fats and oils, the Department of Commerce announced today through its Office of International Trade.

Among the inedible fats and oils removed from the positive list of goods requiring specific licenses for export are all soaps, flaxseed, linseed oil, fish oil, olive oil foots, inedible tallows and greases, stearic acid, oleic acid, neat's foot oil, fatty acids of vegetable origin, vegetable oil foots, and soap stock. These products were decontrolled because of generally improved supplies. United States prices of these products are lower than they have been at any time since the removal of OPA price ceilings and the prospects for increased production during the next half year are good.

OIT officials pointed out that existing regulations governing all shipments to Europe remain in effect for these commodities.

Following is a list of the commodities that have been removed from the positive list:

	Schedule B No.
Neat's-foot oil	080300
Lard oil	080901
Inedible animal oils, n. e. s. report oleo oil in 005600)	080998
Fish oils (report medicinal in 811910, 811950, and 811990)	081900
Grease stearin (include lard stearin)	084300
Oleic acid, or red oil	084700
Stearic acid	084900
Tallow, inedible (report ring grease in 085898)	085700
Pig's-feet grease (formerly 085805)	085898
Other hog grease (formerly 085805)	085898
Beef suet	085898
Ring grease	085898
Other inedible animal greases and fats, n. e. s. (report lubricating greases in 504100)	085898
Flaxseed	222003
Linseed oil	223200
Fatty acids of vegetable origin	224801
Vegetable oil foots, except olive oil foots (report olive oil foots in 224913	224805
Vegetable soap stock (include vegetable tallow if used for soap stock)	224898
Olive oil, inedible, except sulfured or foots (formerly 224915)	224913
Olive oil, sulfured or foots (formerly 224803)	224913
Soap:	
Toilet, fancy and medicated (include gift sets of toilet preparations where value of soap exceeds value of other items)	871100
Laundry and household soap in bars:	
White (formerly 871300)	871310
Yellow (formerly 871300)	871350
Other (formerly 871300)	871390
Laundry, chips and flakes, bulk and packaged (formerly 871600) (include Lux, Fab, Chipso, Ivory Flakes, etc.)	871610
Laundry, granulated, powdered, beaded and sprayed, bulk and packaged (formerly 871600) (include Ivory Snow, Rinso, etc.)	871650
Industrial soap powders (formerly 871600)	871690
Shaving creams, in bulk only	871800
Shaving powders, in bulk only	871900
Nonabrasive types of pastes, powders, and household washing powders (fat content not over 25 percent) (formerly 872400) (report household washing powders, fat content over 25 percent, in 871650	872450
Abrasive types of soaps (fat content above 10 percent) other than pastes and powders (formerly 872400)	872490
Other soap	872900

Mr. BROWN. Our next witness is Mr. Loveland.

You may proceed, Mr. Loveland.

Mr. LOVELAND. First, I would like to suggest that I am rather new at the Department, and I have two friends with me from the Department who know more than I do about this business, Mr. Trigg and Mr. Rhodes. They will help.

Mr. BROWN. Fine. We want to find out all about it.

Mr. LOVELAND. I am fresh from an Iowa farm and I am a producer of these goods we are discussing, and am more familiar with that than with the disposal of them.

Mr. TALLE. If the chairman will permit me, I should like to say to Mr. Loveland that I am very happy to have him here.

Mr. LOVELAND. Thank you, Mr. Talle.

Mr. BROWN. That goes for the entire committee.

Mr. LOVELAND. Thank you. We appreciate the opportunity of coming over.

STATEMENT OF A. J. LOVELAND, UNDER SECRETARY OF AGRICULTURE, ACCOMPANIED BY RALPH S. TRIGG, COMMODITY CREDIT CORPORATION AND PRODUCTION AND MARKETING ADMINISTRATION, AND F. MARION RHODES, ASSISTANT DIRECTOR, PRICE SUPPORT AND FARM SUPPLY PROGRAM

Mr. LOVELAND. The Department of Agriculture believes that the extension of export control authority beyond its present expiration date of February 28, 1949, is necessary (1) to protect our domestic economy from the excessive drain of scarce materials, (2) to implement the foreign policy of the United States, and (3) to control the exportation of commodities important to our national security.

The Department of Agriculture believes that stabilization of our domestic economy alone more than justifies continuation of export controls. Although there has been improvement in the economic conditions in most foreign countries, they are still confronted with shortages which buoy up the demand for certain commodities from the United States.

In addition, the prices of many commodities in foreign countries are higher than in the United States. Removal of export controls could turn loose a demand for United States commodities in short world supply which, in turn, would inflate the prices of these commodities.

The current level of exports—about four times higher than prewar— is an example of the forces involved in this situation. The reported value of agricultural exports, including shipments for foreign civilian use, in 1946, was about 3.5 billion dollars and in 1947 about 3.9 billion dollars. For the first 11 months of 1948, the figure was slightly more than 3 billion dollars, and it seems likely that the total export value during 1948 will be in the neighborhood of 3⅓ billion dollars. This great increase in exports is dominated by the food component, which is nearly eight times the prewar rate.

If our foreign assistance programs are continued at approximately present levels, the foreign demand for some United States farm commodities in 1949 will undoubtedly exceed the total supplies which we can safely export. Reports from foreign sources show clearly that world shortages will continue during the calendar year 1949 with respect to some agricultural commodities.

Cereals continue to be the most vital commodity insofar as the combat against world food deficiencies is concerned. It is possible that United States exports of grain and grain products, excluding rice, during 1949–50 may continue at a rate nearly as high as during 1948–49 when we expect to export about 18,000,000 tons which would be an all-time high. During the postwar period the proportion of United States exports to the world total has been extremely large. During 1947–48 and 1948–49 about one-half of world wheat exports originated or will originate in this country. Thus, what the United States does with its grain supplies affects seriously the food position in much of the rest of the world.

United States crop prospects for 1949, to the extent they can be estimated at this time, appear good. It is by no means certain, however, that European countries will achieve the same large production in 1949 that was realized in 1948 when yields were excellent. Furthermore, the Argentine wheat crop just harvested is very much reduced from that of last year and is far below prewar, with the result that export availability from that country will likely be considerably reduced. Canada has experienced one of the driest autumn seasons on record, a factor which may affect both area and yield in 1949. Australia's wheat crop is better than average but is not large enough in relation to world needs to be of great importance. The situation in the U. S. S. R. and other eastern European areas is, to a large extent, unknown.

In view of the importance of cereals in the world economy and the importance of the United States in the world cereals picture, export controls should be retained as an insurance against a possible deterioration of the world grain situation in 1949–50.

World rice requirements for the present calendar year are substantially greater than the total world supply. The production of rice in the United States, after meeting the needs of our domestic market, and the Territories, will provide less than one-half million tons of a total world exportable supply of 3½ million metric tons. Since export supplies from the United States represent only a relatively small proportion of total availabilities, relaxation of controls might result in increased procurement by some foreign countries to the detriment of our dependent Territories and domestic trade. The pattern of procurement by foreign countries might well be such as to disrupt our shipments to our normal export markets and thereby prove injurious to the interests of producers and the rice trade in general. Unrestricted demands on the rice supplies of the United States could also result in unwarranted speculative price increases.

Fats and oils and meat are examples of other important food items which are in world short supply and for which export controls are desirable. Consumption levels of fats and oils in certain countries participating in the European recovery program are extermely low and it is very important that we be able to channel our available exports, particularly of edible fats and oils and oil-bearing materials, to those countries where the need is greatest. Due to increased domestic production of oil-bearing materials in 1948, we have been able to recommend increasingly larger export allocations in recent months. However, in the absence of export controls, the demand for exportation of soybeans and edible fats would undoubtedly increase greatly.

Exports of meat in 1948 have been held to token shipments of a fraction of 1 percent of our production due to short supply. The export demand, however, has been far in excess of this quantity. Elimination of export control on meat would further aggravate an already short supply and would cause price increases.

The unprecedented demand for cereal grains and other foodstuffs is matched only by the world demand for fertilizer materials needed to increase food production. Nitrogen in particular presents a special problem. The problem is aggravated by the fact that whereas around 100 countries have to import nitrogen, there are only a few countries that have nitrogen for export. Nitrogen fertilizer is under international allocation until at least June 30, 1949. In view of the prospect of a continuing shortage of fertilizer during the year 1949–50 and in order to safeguard supplies for American farmers, export controls should be continued.

The responsibilities of the United States have become world-wide. It appears that the only feasible manner in which we can fulfill our responsibilities with respect to international allocations of food and related products is to retain export controls to enable us to channel our exports of these commodities to those countries which are in the direst circumstances and which have the greatest need for such food. This is a far more equitable system than to let those with the most dollars buy the limited food available on the world market. Moreover, it gives economic stability both here and abroad.

The definite responsibilities of the United States with regard to food supplies for the occupied areas of Germany and Japan is also of importance. Under the European recovery program, we have assumed major responsibility for assisting many of the countries of western Europe in increasing their available food supplies as well as in a general rehabilitation program. Without continuing export controls, it would not be possible to insure distribution of our available export supplies to those countries who are coperating with us in the fight for world peace and security.

Although the Department is not responsible for export control on nonfood commodities, it does have a vital interest and is directly affected by the action taken on many such items. Because of the importance in the growing, harvesting, and processing of agricultural crops, or because of their relationship to agricultural commodities, we believe it is important and necessary that export controls be continued on important items that are in short supply domestically, such as steel, nitrogen fertilizer, tin and certain other nonferrous items, transportation equipment, and selected items of manufactured equipment.

It is the policy of the Department of Agriculture to continually review the food commodities under export control and to recommend the decontrol of any item as soon as it is determined that it will not result in undue drain on domestic supplies, unreasonable price increases, or adversely affect the status of our international responsibilities. The decrease in the number of food items under export control during the past year proves that this policy has been carefully carried out. On the other hand, the existence of export control authority enables the executive branch of the Government to protect the domestic economy from undue drain in the event a shortage develops in a commodity which now is in ample supply. Unfortunately, shortages—and their resultant inflationary forces—do not always give a warning before their appearance.

Mr. BROWN. Mr. Loveland, does this bill undertake to change the present law with regard to export controls on fertilizer?

Mr. LOVELAND. In regard to the export of fertilizer?

Mr. BROWN. Yes.

Mr. LOVELAND. I will ask Mr. Trigg to answer that question.

Mr. TRIGG. No, sir.

Mr. BROWN. Does it disturb the formula which we passed with respect to the War Department supplying part of the fertilizer to countries outside the occupied area? We passed a bill in that respect, which expires June 30. In other words, we want the War Department to carry out the intent of Congress in that respect.

Mr. TRIGG. Yes, sir.

Mr. BROWN. When does that act expire?

Mr. TRIGG. June 30 of this year.

Mr. BROWN. This bill does not disturb that situation?

Mr. TRIGG. No, sir.

Mr. BROWN. Mr. Loveland, what is the current production of various edible fats and oils—that is, for this current season?

Mr. LOVELAND. Mr. Trigg has those figures, Mr. Chairman.

Mr. TRIGG. The total production for the fiscal year 1948–49—ending June 30, 1949—is 7,375,000,000 pounds, estimated.

Mr. BROWN. Seven billion?

Mr. TRIGG. Yes, sir; 7,375,000,000 pounds, all edible fats and oils.

Mr. BROWN. How does that compare with the last several years?

Mr. TRIGG. I do not have before me any except the 1947-48 fiscal year figures, but the total production in the fiscal year ending June 30, 1948, was 6,880,000,000 pounds.

Mr. BROWN. We have a billion pounds more this year?

Mr. TRIGG. No, sir, about 590,000,000 pounds.

Mr. BROWN. Roughly 600,000,000 pounds?

Mr. TRIGG. Yes, sir.

Mr. BROWN. What is the estimated surplus for the year, which could be exported?

Mr. TRIGG. Mr. Chairman, I would like to ask if this is at all posible: we have those figures, plus what has already been allocated, and I feel this way: that they are a little bit delicate and may have some reaction on the market. If it would be at all possible, we would prefer to give those to the committee in executive session and give you any and all figures that we have, but, because of the reaction on the market, we prefer not to give them out in public, if I may make that request.

Mr. Brown. Very well. We certainly want the figures, but you may be correct in that the information should be given to us in executive session.

Mr. Trigg. I have them with me and have no hesitancy in giving them to you, sir.

Mr. Brown. Very well. How much have you recommended should be exported?

Mr. Trigg. We have allocated 413,000,000 pounds.

Mr. Brown. But how much have you recommended to be exported?

Mr. Trigg. I think it is somewhat more than that, but not too much. I do not know as I have the exact figures on what we have recommended over all with me, sir.

Mr. Brown. Why have you not recommended that more be exported? Give me the difference, first, between the amount recommended and the amount approved.

Mr. Trigg. I believe it amounts to something like 100,000,000 pounds—a little over 100,000,000 pounds. Also I would like to correct one figure, sir. I gave you 413,000,000 pounds. We have actually recommended 763,000,000 pounds. Part of that is in oil seeds, and I would like to change that figure to 763,000,000 pounds.

Mr. Brown. How much has been exported?

Mr. Trigg. That is what has been set up for allocation. I am not sure as to what amount was exported. Some of it is still pending.

Mr. Brown. All that you have recommended, has that been approved by the Department of Commerce? That is what I am trying to get at.

Mr. Trigg. Of course, these committees that approve the allocations have recommended this agreement of 763,000,000 pounds, as was pointed out yesterday by Mr. Blaisdell. Does that answer your question, sir?

Mr. Brown. It does not. I want to know how much the Department of Agriculture recommended. I am not talking about the committees.

Mr. Trigg. I do not have the exact figures on what we have recommended, but it is something in excess of 763,000,000 pounds.

Mr. Brown. Well, that is very important. Will you supply that for the record?

Mr. Trigg. Yes, sir.

(The additional information submitted by Mr. Trigg appears at pp. 64–67.)

Mr. Brown. You speak about a committee representing the Department of Commerce and the Department of Agriculture. What is that committee? Who is it composed of?

Mr. Trigg. That committee which finally passes on the allocations is composed of the agencies that were enumerated here yesterday, including the State Department, the War Department, Economic Cooperation Administration, Department of Labor, Department of Agriculture, Department of Commerce, and maybe one or two others that I do not recall right now.

Mr. Brown. Does your Department, the Department of Agriculture, recommend any specific amount to this committee?

Mr. Trigg. Yes, sir.

Mr. BROWN. Has this committee approved all that the Department of Agriculture has recommended?

Mr. TRIGG. No, sir.

Mr. BROWN. Now, I want to know how much you have recommended and how much they have approved.

Mr. TRIGG. That I would have to supply, if I may, for the record. I do not have it before me.

Mr. BROWN. Very well.

(The additional information submitted by Mr. Trigg appears at pp. 64–67.)

Mr. BROWN. With such a large surplus, why has not the Department of Agriculture recommended more?

Mr. TRIGG. Why have we not recommended more because of the large surplus?

Mr. BROWN. Yes.

Mr. TRIGG. We feel that, of course, this must be looked at from the standpoint of the entire year, and allocations set up on the basis of a year. There, again, that comes into this question asked you before about some of these figures being pretty confidential, as to what we figure our production is, what can be safely exported, and what will be our carry-over at the end of the year.

Mr. BROWN. Now, Mr. Witness, you realize the difficulties of the small crushers of cottonseed. These men bought cottonseed from the farmers when cottonseed was at $80 a ton, and now selling for $50 per ton. They had to borrow money from local banks, and they just cannot wait for your delayed allocation. When foreign countries need this oil and we have such a surplus, I think we ought to say to these men that they will be allowed to sell these surpluses, and I think you ought to make such a recommendation. Why do you not speed up your recommendations for allocations?

Mr. TRIGG. I think that we have acceded to them, sir, just as fast as we possibly can, and have recommended what we feel is available at the time—what can be safely recommended—in order that the domestic economy would also be protected, and also the production estimates are changing or have changed over the last several months with every new crop estimate that has come in. Those things have a part to play in the picture, too.

Mr. BROWN. I have been in Congress nearly 16 years. The people of this country and Members of Congress all these years have been trying to dispose of the large surpluses in an orderly way so as not to depress the market and to assure the producer receiving a fair price for his product. Surely you people do not want to have these large surpluses for the purpose of keeping the market price down.

Mr. TRIGG. Absolutely not, sir.

Mr. BROWN. Do you not think, then, we should have oils and fats under a general license rather than a specific license? I agree with you that they ought to be allocated only to countries firendly to the United States, but certainly we should make an attempt to get rid of our surpluses in an endeavor to help the farmers and processors who have invested their money? Don't you think we could get rid of these surpluses faster under a general license?

Mr. TRIGG. I think we could get some of these oils exported faster under a general order; yes, sir. On the other hand, we feel that the edible oil situation of the world is still such that the Government should have the authority to control it, if and when it is necessary to protect the domestic economy.

Mr. BROWN. Why do we not ship it to these people who want it? What are we waiting for?

Mr. TRIGG. If I may point out, Mr. Chairman, some of this surplus is in cottonseed oil, for instance, and historically there has not been too much cottonseed oil exported. As a matter of fact, there is no deleting equipment available in Europe in order that the seed can be exported and also the oil has been used domestically pretty much heretofore.

Mr. BROWN. That is just exactly the reason why you ought to ship some of this cottonseed oil, because we do not have any more tank facilities for storage. The farmer with cottonseed cannot sell it. The fellow who has cottonseed oil cannot put it in storage tanks. You have given the best reason I know of as to why we should ship more cottonseed oil. I understand that in the last order you recommended, some 2 or 3 weeks ago, out of 109,000,000 pounds, only 2,000,000 pounds of cottonseed oil was allocated for export. Do you realize that we are paying our American taxpayers' dollars to purchase oil in Brazil for shipment to Italy and Canada and paying nearly 6 cents a pound more for same? The people of this country are not going to stand for that kind of treatment.

Let us get rid of some of these surpluses. Do you agree with me?

Mr. TRIGG. Our general policy, Mr. Chairman, insofar as agricultural commodities of all types are concerned, is to export as much as we possibly can, because it has a bearing and a direct relationship to our price support operations for all commodities. I might point out, though, that the available supplies, in all of our oils, at this time, must last until the 1949 crop becomes available, which is several months off yet, and we must be sure that we have sufficient supplies to carry through until that time.

(At this point Chairman Spence resumed the chair.)

The CHAIRMAN. Mr. Brown.

Mr. BROWN. How much has actually been allocated by the Department of Commerce?

Mr. TRIGG. For the fiscal year ending June 30, 1949, there have been 763,000,000 pounds allocated for export.

Mr. BROWN. How much of the allocation has been taken up? I understood Mr. Blaisdell to say yesterday that about 20 percent of the allocation had not been taken up.

Mr. TRIGG. That is my understanding, but that figure would have to be supplied by the Department of Commerce, sir.

Mr. BROWN. I just want you to explain why it has not been taken up.

Mr. TRIGG. Why it has not?

Mr. BROWN. Yes.

Mr. TRIGG. I would say that one reason why it has not been taken up is because of the fact that the allocation is made up through the present quarter, the current quarter, in other words, for the January-March quarter, and this is only the first month of the quarter. Probably by the end of the quarter it will be taken up.

Mr. BROWN. Is this just a time lag in the making of sales and shipments? It takes a long time to do that, does it?

Mr. TRIGG. Yes, sir; it takes time.

Mr. BROWN. Well, that is just the reason these producers cannot hold these goods. The banks are calling on them for the money. They have no storage tanks; there is no market; they cannot sell it—they cannot hold it forever. They are being pressed for the money they owe. Shipping 2,000,000 tons out of 109,000,000 tons, it seems to me, is not fair treatment to our producers. What do you propose to do about it? Are you going to operate as you have in the past, with a specific order, or are you going to issue a general order? We have to do something to help our people. What are you going to do about it? We have no more tanks in which to store the oil. You say yourself that we could get rid of these oils faster under a general order. What do you suggest?

Mr. TRIGG. Mr. Chairman, under a general order—I am not familiar with all the detailed workings—I presume it would be faster, as you point out. Secondly, may I say that it is our policy to export any of these oils that are in surplus to our domestic needs.

Mr. BROWN. Well, why is it not done?

Mr. TRIGG. Also, as I pointed out a moment ago, we must be sure that our supplies will carry us through until the 1949 crop comes in, plus the fact that these crop estimates which have been coming in monthly have been revising these figures upward.

Mr. BROWN. What is your estimate of the surplus we will have?

Mr. TRIGG. In all of the oils, sir?

Mr. BROWN. Yes.

Mr. TRIGG. Of course, there again it gets into this question of the figures that I would prefer to supply to the committee at a later date, if I may, sir, or in executive session.

Mr. BROWN. Can you not guess at what it will be? It will be at least 600,000,000 tons, will it not? We will have that much more this year than we had last year.

Mr. TRIGG. You said tons. I presume you meant pounds, did you not?

Mr. BROWN. I meant pounds, yes.

Mr. TRIGG. Yes, sir; it would be in that neighborhood.

Mr. BROWN. It looks to me as though you have sufficient information now to make recommendations for greater allocations of these oils.

Mr. TRIGG. That is right, sir, but we are still 6 months or thereabouts away from the incoming crops for 1949.

Mr. BROWN. Well, you do not propose to give any relief at all, then?

Mr. TRIGG. I would not say that, sir, no. We propose to recommend for allocation these oils just as fast as we feel that the domestic supply and the domestic economy can be protected.

Mr. BROWN. You know that we have produced 600,000,000 pounds more this year than last. You realize we are going to have that surplus. Yet you are not willing to recommend the export of greater quantities in order to get rid of these large surpluses.

Mr. TRIGG. I do not know exactly what we have recommended for a comparable period last year, I do not have those figures with me, but we have already recommended and allocations have been established for 763,000,000 pounds.

Mr. BROWN. That did not affect the price of oil at all because we have such a large surplus. Everybody knows that. Did that affect the price?

Mr. TRIGG. I am not sure about that, sir.

Mr. BROWN. It seems to me that you in the Department of Agriculture ought to keep up with these things.

Now, suppose you place these fats and oils under a general license. Do you think the surplus would be exported?

Mr. TRIGG. I would say it would; yes, sir.

Mr. BROWN. How long would it take?

Mr. TRIGG. That, I do not know, sir.

Mr. BROWN. Do you think the foreign buyers have the funds with which to buy?

Mr. TRIGG. Those countries that are getting Economic Cooperation Administration dollars have funds with which to buy, yes, sir.

Mr. BROWN. And they are buying oil principally from Brazil, are they?

Mr. TRIGG. That, I am not familiar with.

Mr. BROWN. Well, you do know that Brazil is sending to Italy and to Canada oils at more than 20 cents a pound, paid for by our dolars; and yet, with the great surplus in this country, we cannot get but 14 cents a pound for our oil. That is true, is it not?

Mr. TRIGG. I have heard that said in committee hearings, that has been pointed out.

Mr. BROWN. Mr. Secretary, I am surprised that a man who is supposed to know all about oils would not be familiar with that question. Certainly if you heard it, why did you not investigate it?

Mr. TRIGG. I might say that I have taken steps to investigate it, sir.

Mr. BROWN. What is going on down there between the Department of Agriculture and the Department of Commerce to hold down the price of oils in this country and raise them in foreign countries? I just do not understand it. The public does not understand it. Here we have a great surplus. Heretofore we have been passing legislation, to get rid of surpluses. Now we have agencies trying to increase surpluses. This policy is contrary to what we have been doing for 16 years.

Mr. Witness, do you think that the Secretary of Agriculture should have the authority to determine the amount of edible fats and oils which we should permit to be exported? You represent the Department of Agriculture. Are you not in a better position to estimate the amount we can afford to export than the Department of Commerce?

Mr. TRIGG. We are of the opinion, Mr. Brown, that the Department of Agriculture should have final authority in determining the amount of oils that are to be exported or that are in excess to our domestic needs.

Mr. BROWN. And then let the Department of Commerce select the countries to whom it should be sent?

Mr. TRIGG. Whomever is designated to select the countries is quite all right.

Mr. BROWN. I agree with you entirely on that. I do not think we can get anywhere with divided responsibility. I think if you have the authority to determine what the surplus is and if you have the authority to say how much is available for export, that question will be settled. Then the Department of Commerce can say what countries the surplus should be sent to. Certainly we should keep these goods away from countries unfriendly to us.

Your support price for soybeans is about $2.30 a bushel, is it not?

Mr. TRIGG. $2.18, sir.

Mr. BROWN. $2.18?

Mr. TRIGG. Yes, sir.

Mr. BROWN. We do not have any support price at all for cottonseed or any of the oils?

Mr. TRIGG. That is right, sir.

Mr. BROWN. Your present price of soybean oil does not reflect the support price for the raw bean, does it?

Mr. TRIGG. The present price of oil?

Mr. BROWN. Yes.

Mr. TRIGG. My understanding is that it is about at support right now; yes, sir.

Mr. BROWN. I understood it was not. Can you be positive about that?

Mr. TRIGG. I cannot, but I can figure it out and supply it to you.

Mr. BROWN. Well, it looks to me as though you should have that at your fingertips. That is such an important thing.

Mr. TRIGG. But my understanding is that it is about at support right now, sir.

Mr. BROWN. You have support prices on peanuts, too, do you not?

Mr. TRIGG. Yes, sir.

Mr. BROWN. But not on any of the peanut oils?

Mr. TRIGG. No, sir.

Mr. BROWN. That is where you get your price for peanuts and soybeans, from the prices for oil and meal. How much do you have under loan for soybeans at the present time in the Commodity Credit Corporation?

Mr. TRIGG. I am sorry, I do not have that information at my fingertips.

Mr. BROWN. Well, supply it for the record.

(Additional information submitted for the record by Mr. Trigg appears at pp. 64–67.)

Mr. BROWN. How much do you have out on loan for peanuts?

Mr. TRIGG. I would have to supply that, too, sir.

Mr. BROWN. I wish you would do so.

(Additional information submitted for the record by Mr. Trigg appears at pp. 64–67.)

Mr. BROWN. Of course, Commodity Credit is in the Department of Agriculture. It seems to me, without support prices on cottonseed, that the cottonseed man is at a disadvantage. And when you are allocating only 2 or 3 million pounds out of 109,000,000 pounds for cottonseed oil, I do not know what these farmers of ours are going to do.

Mr. TRIGG. I would like to point out in connection with cottonseed and cottonseed oil, Mr. Brown, that we have all set up and approved for allocation this year more cottonseed oil than in any previous year with the exception of one, for export.

Mr. BROWN. Yes, I understand, but we have got 600,000,000 pounds more this year than we have ever produced.

Mr. TRIGG. That is of all oils, sir.

Mr. BROWN. Well, what is it for, cottonseed alone? Can you give me the figures?

Mr. TRIGG. Yes, sir. The production for the period June 30, 1949, is 1,625,000,000 pounds, as opposed to 1,266,000,000 pounds for the period ending June 30, 1948.

Mr. BROWN. I am not making a fight for any particular oil. I am making a fight for all of these oils. It would seem to me that the Commodity Credit Corporation should help these producers of cottonseed too. They cannot sell their commodity. They have no storage facilities, and their creditors are pressing them for the payment of their debts. And yet here we are at a standstill in that respect.

Mr. TRIGG. That is right, Mr. Chairman.

The CHAIRMAN. Are oils and fats in excess supply in the United States at the present time?

Mr. TRIGG. We have a surplus of fats and oils in excess of our domestic needs, yes, sir, Mr. Chairman.

The CHAIRMAN. Does the exportation of oils and fats affect our foreign relations or national security in any way?

Mr. TRIGG. It, of course, effects our foreign policy and our foreign relations to the extent that those countries need these products.

The CHAIRMAN. What I mean is; if those products get into the hands of enemy countries, can they be used for the making of munitions and explosives?

Mr. TRIGG. I think we are talking primarily of edible fats and oils, Mr. Chairman.

The CHAIRMAN. There is no security involved in the exportation of cottonseed oil, is there? I mean it cannot be used for the making of munitions, and cannot be used to make a potential enemy country stronger in time of war?

Mr. TRIGG. My understanding is that it could not; no, sir.

The CHAIRMAN. What excuse is there for the continuance of export controls over commodities which are in excess supply, if it would have no effect on our foreign relations or national security?

Mr. TRIGG. Mr. Chairman, fats and oils are still not in excess supply for the needs of the world. They are here in the United States, but so far as the world in concerned, there is still a shortage of edible fats and oils.

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The CHAIRMAN. If we have enough to supply our domestic needs, it would be well to help supply the rest of the world, then, so far as we can without injuring our domestic economy.

Mr. TRIGG. We agree with that, and we recommend for allocation every bit that we feel can be exported and is in surplus to our domestic needs.

The CHAIRMAN. I think the destination of all of these products should be controlled. Have the satellite nations of Russia any dollars with which to buy these goods? It could not get to them?

Mr. TRIGG. Not only that, but I am sure it is the policy of the Government to see to it that they do not get to them.

The CHAIRMAN. That is all.

Mr. WOLCOTT. We are never willing to catch up. We will always have shortages of fats and oils in the world unless we export our excess crops, will we not?

Mr. TRIGG. Of course, Mr. Wolcott, there is a great demand for fats and oils throughout the world, and, as I explained, our policy is to export every pound of fats and oils that is surplus to our domestic needs, to help alleviate that world shortage.

Mr. WOLCOTT. I think we are still carrying ads in the newspapers encouraging housewives to save their fats, and sell them to their butcher for a cent a pound or something like that. Could we remove the patriotic incentive to save these fats?

Mr. TRIGG. Of course, the fats that were saved by the housewives were inedible and it was just announced here this morning at the beginning of this hearing, by the Department of Commerce, that the inedible fats and oils had been decontrolled as of yesterday afternoon and had been announced by the Department this morning.

Mr. WOLCOTT. For export as well?

Mr. TRIGG. Yes, sir.

Mr. DOLLINGER. Can these fats and oils be stored for any period of time?

Mr. TRIGG. That depends upon the length of time that you would like to store them for. Some of them become rancid.

Mr. DOLLINGER. I am trying to find out whether there is a policy in effect for the storing of these fats and oils for future years when there might be a shortage of these items, or is that the policy of the Department?

Mr. TRIGG. I do not believe they could be stored for any length of time, sir, to provide for an unforseeable emergency at some time in the far-distant future.

Mr. DOLLINGER. The policy of the Department would be to dispose of them?

Mr. TRIGG. Yes, sir.

Mr. WOLCOTT. The amount of inedible fats and oils has a certain influence upon the control of edible fats and oils, does it not? That is, you could use edible fats and oils for a great many of the things that inedible fats and oils are used for?

Mr. TRIGG. There is a certain interchangeability between them, yes, sir.

Mr. WOLCOTT. I notice in section 4 of the bill, subsection (b), a provision that whoever administers export controls must give consideration to producers, and if there are surpluses of any commodity, which has been under export control, how would you interpret that language with respect to the disposal of those surpluses? Would you not, under that language, consider yourself almost compelled to make available this surplus export, if it was in the best interest of the producers to do so?

Mr. TRIGG. Of course. As you know, our primary responsibility runs to the producer and our interest is in seeing that the producer is protected insofar as possible, and if by greater exportation of these fats and oils the producer is given greater protection, of course, that would fit right in with our policy.

Mr. WOLCOTT. The last sentence of that same section reads:

> In addition, there may be applied such other standards or criteria that may be deemed necessary by the head of such department or agency to carry out the policies of this act.

Do you interpret that to mean that—perhaps I should have asked this of the Department of Commerce. But do you interpret that to mean that in fixing the allocations of any commodity—fats and oils specifically—that you could provide an export license contingent upon a certain price for the commodity, and that the commodity could not be exported at a price below or above a certain price?

Mr. TRIGG. I would think that that question should be directed to the Department of Commerce more so than to the Department of Agriculture, sir.

Mr. WOLCOTT. I think before we act on this bill we should find out about that, because the Department of Commerce can put into effect certain regulations under that language, and when the Department of Commerce or anyone else having the administration of this act within its jurisdiction makes any regulation, then, there is a penalty of imprisonment for a year or a fine of $10,000 for violation of that regulation, or both. It seems to me that that is pretty general language. I do not know whether we have ever established any precedent for such language without some modifying language which, in effect, would set up the standards under which the regulations would be invoked, in addition to the general allegation of policy.

What I am getting at, with respect to fats and oils, and because of this disparity between what the Economic Cooperation Administration countries are paying for fats and oils, in other parts in the world, could we, under that language provide for the export of fats and oils at a certain price which would bring the price to our producers of fats and oils more in line with world prices?

Mr. TRIGG. I really think that the question should be answered by the legal people but may I say this: as you pointed out, there is this provision in here to protect the producer, and we are interested in the producer receiving a fair price for his commodities. Of course, I think that is the part of the bill with which we are primarily concerned. As to this other one, your question, I think, should be answered by the attorneys, probably for the Department of Commerce.

Mr. WOLCOTT. In view of Mr. Brown's questioning, it seems to me offhand, and it might appear to some of the other members of the committee, that unless you unfreeze this surplus and allow it to be exported, that you are doing just the opposite of what this provision provides for with respect to the protection of producers, and I am trying to find ways and means, if we can, to create a market for these surpluses, and at the same time to protect our domestic producers. As far as I am concerned, and speaking only for myself, I would be perfectly willing to give the Department of Agriculture the authority to determine how much of our fats and oils could or should be exported. You do not have that now. You only have the authority to make recommendations; is that correct?

Mr. TRIGG. That is right, sir.

Mr. WOLCOTT. Of course, whatever we have said here with respect to fats and oils applies to any commodity in which there is or might be a surplus.

Mr. TRIGG. Yes.

Mr. WOLCOTT. That is all.

The CHAIRMAN. What effect does the exportation of fats and oils have on the domestic price?

Mr. TRIGG. A great deal, sir.

The CHAIRMAN. Is it a sustained effect or just a temporary effect?

Mr. TRIGG. It could be one or both, sir. Any time that the supply becomes short, of course, the price might go up, and conversely, any time that the supply is long, the price might move down.

The CHAIRMAN. So you think the domestic price is largely affected by the exportation of a given commodity, and that the domestic price can be largely controlled by export; is that so?

Mr. TRIGG. Yes, sir.

Mr. RAINS. Do you think it is reflected in the present surplus, the domestic price?

Mr. TRIGG. Undoubtedly, the present surplus of fats and oils in this country has a lot to do with the domestic price, yes, sir.

Mr. RAINS. I cannot see from the retail price of articles that there is any effect due to the surplus. It seems to me that the prices the housewives pay are the same now as they were some months ago. How do you account for that.

Mr. TRIGG. I wish I knew, but I cannot answer your question, sir.

Mr. MONRONEY. Can you put in the record the price of these oils and fats as of last July and the retail price, and then the price as of January 1st or February 1st, and the retail price per pound to the housewife, so that the committee can get some idea as to whether this price has moved downward or any idea as to the decrease in prices?

Mr. TRIGG. Yes, sir; that can be done. As a matter of fact, I can give you the price of cottonseed oil and soybean oil for 1946, 1947, and 1948, for any month, but I do not have the retail price.

Mr. MONRONEY. I think that is the important thing to this committee. We would like to see what has happened to the retail prices as the producers' prices have gone down.

Mr. TRIGG. I think you will find pretty generally that the retail prices do not follow the producers' prices down quite as rapidly, and there seems to be quite a spread between them, not only insofar as these but insofar as other commodities are concerned.

Mr. BROWN. Will you yield?

Mr. MONRONEY. I yield.

Mr. BROWN. In view of Mr. Wolcott's questioning and mine, I wish to state that I am going to offer an amendment to this bill by adding the following:

Provided, That any delegation of authority granted under this Act shall be subject to the condition that the Secretary of Agriculture shall determine the overall amount of any agricultural commodity that is permitted to be exported under this Act.

I think that would take care of it, would it not, Mr. Wolcott?

Mr. WOLCOTT. I would think so.

Mr. MONRONEY. I believe that you told us that you expected about a 900,000,000-pound carry-over this year under present arrangements, in edible fats and oils.

Mr. TRIGG. I do not believe it is quite that high, Mr. Monroney.

Mr. MONRONEY. I thought you made a rough guess, that you did not want to give a definite figure, but that your estimate was around 600,000,000 pounds.

Mr. TRIGG. Yes, sir.

Mr. MONRONEY. That figures out at a ltttle less, according to my calculation, than 10 percent of our total production of edible fats and oils. My question is how will this reserve or carry-over relate to previous carry-overs that we have had for the country. I remember in the bill setting up the Marshall plan the Congress was very insistent that we not overexport, but that we keep certain stock piles of important foodstuffs in this country. In fact, we put a limitation on wheat, I remember specifically, and I think on other commodities as well. I would like to know how this present carry-over that you estimate at somewhat less than 10 percent would relate to the previous year's carry-over.

Mr. TRIGG. It would be less.

Mr. MONRONEY. We would be carrying over less than last year?

Mr. TRIGG. Yes, sir.

Mr. MONRONEY. Do you know how much we carried over last year?

Mr. TRIGG. Nine hundred and forty-seven million pounds for the period ending June 30, 1948.

Mr. MONRONEY. About a 50-percent or 45-percent reduction. What about the year previous to that?

Mr. TRIGG. I do not have that.

Mr. MONRONEY. Do you have any figure that you consider to be the net figure to protect us against crop failures and other things that might happen?

Mr. TRIGG. Certainly the figure of 10 percent of our production would be about a reasonable figure to carry over or into the next year, in order to have sufficient supplies on hand.

Mr. MONRONEY. Your position is that with the present rate of export, plus domestic consumption, it will give you a little less than the normal carry-over. If we take controls off, then, we would not have our normal carry-over, that we have always had, or anything approaching it?

Mr. TRIGG. It could mean that if there were no controls on it, yes, sir. We might go pretty low in our carry-over.

Mr. MONRONEY. The only control you would have to create a carry-over would be—this bill offers the only control to permit a stockpiling, you might say?

Mr. TRIGG. Yes, sir; unless dollars were not available in other parts of the world with which to buy.

Mr. MONRONEY. Yes.

Mr. BROWN. Will you yield, Mr. Monroney?

Mr. MONRONEY. Yes.

Mr. BROWN. I want to say that production of soybean oils and cottonseed oils this year is 600,000,000 pounds more than it was last year. So I do not understand your answers, Mr. Trigg.

Mr. MONRONEY. Do you have the relationship between domestic consumption? Regardless of how much extra we produced, it would probably cut into that extra 600,000,000 pounds, would it not?

Mr. TRIGG. If our domestic consumption is up, yes.

Mr. MONRONEY. Do you have any idea whether it is up or not?

Mr. TRIGG. The domestic consumption is up a little bit over the previous year, yes, sir.

Mr. MONRONEY. By what percentage, would you say?

Mr. TRIGG. About 1 percent, I believe, sir.

Mr. MONRONEY. Would those be in those confidential figures?

Mr. TRIGG. Yes.

Mr. MONRONEY. Well, let us not go into that at this time.

Mr. DEANE. In the figures that you will furnish to the committee, you will include your estimated yield for this year?

Mr. TRIGG. Yes, sir.

Mr. DEANE. That is all.

Mr. TALLE. Mr. Chairman.

The CHAIRMAN. Mr. Talle.

Mr. TALLE. I quote from page 4 of your statement, Mr. Loveland:

> In the absence of export control, the demand for exportation of soybeans and edible fats would undoubtedly increase greatly.

Now, returning to soybeans—and I asked some questions yesterday that will be answered for the record later; is that not correct? The information is to be supplied by the Department of Agriculture, I understand.

Mr. LOVELAND. Yes.

Mr. TALLE. You have those questions noted, do you not?

Mr. LOVELAND. You have in mind the questions that you asked the Department of Commerce about that?

Mr. TALLE. Yes, sir.

Mr. LOVELAND. Yes; we have those noted and are getting the answers to them, as far as we are concerned.

Mr. TALLE. I realize, Mr. Loveland, that you have not been in the Department very long, and we do not expect you to know a great many things that you will know when you have served longer.

Mr. LOVELAND. I appreciate that a great deal, Mr. Talle.

Mr. TALLE. What is the production figure for 1948 and also for 1947, of fats and oils?

Mr. TRIGG. The production of fats and oils for 1948—that is the fiscal year, June 30, 1948, is 6,880,000,000 pounds. I do not have with me the available figure for 1947, for the comparable period of 1947. But I can supply that if you desire it.

Mr. TALLE. Yes; I should like to have that figure for the record for comparison.

Mr. TRIGG. That is edible fats and oils, sir?

Mr. TALLE. Yes.

Mr. TRIGG. Did you want it for all?

Mr. TALLE. No; I think I would rather have it for the edible fats and oils.

Mr. TRIGG. Yes, sir.

(Additional information submitted for the record by Mr. Trigg appears at pp. 64–67.)

Mr. TALLE. The soybean crop in 1948 was a big one, was it not?

Mr. TRIGG. Yes, sir.

Mr. TALLE. Do you have the figure in bushels?

Mr. TRIGG. I have it in pounds of oil, sir.

Mr. TALLE. According to my figures, the total crop was 220,000,000 bushels.

Mr. TRIGG. Yes, sir.

Mr. TALLE. And further, according to the figures I have, that is 35,000,000 bushels more than we ever harvested before from any previ- crop of soybeans.

Mr. TRIGG. Yes, sir.

Mr. TALLE. Now, in making your current recommendations for allocations, what consideration was given to this gigantic crop?

Mr. TRIGG. A great deal of consideration, sir. Certainly, the increased production—and it has been showing an increase through these crop estimates that come up from time to time—is something that we take into very careful consideration, of course, in determining the amount that can be made available for export.

Mr. TALLE. Quite a little time has passed since the beans were harvested and the question that comes to my mind is: why has this large surplus been permitted to be built up?

Mr. TRIGG. There again, of course, we have to consider the overall fats and oils picture whenever we are considering recommending any amount for allocation. In other words, all of the crops that produce oils must be considered at the same time, and it is true that a great percentage of the crop has been harvested, but there is still a great amount of it in the hands of the producer; a considerable amount.

Mr. TALLE. I gather from the statement that was read that if export controls were removed, large quantities would be exported?

Mr. TRIGG. That large quantities would?

Mr. TALLE. Yes.

Mr. TRIGG. I think that would depend somewhat upon the dollars that are available, and, of course, the prices of the commodity.

Mr. TALLE. How much money does the Government put into a bushel of soybeans, under the purchase agreement plan?

Mr. TRIGG. We are obligated to support them at $2.18 a bushel, either on a loan or by purchase agreement.

Mr. Talle. Somebody told me that it was $2.31. Does it vary over areas?

Mr. Trigg. That $2.18 is to the producer and there is a differential, of course, in freight rates from one area to another. I expect that that point that you are speaking of is Chicago or that general area, as compared with $2.18.

Mr. Talle. So the Government may have $2.31 invested in a bushel of soybeans.

Mr. Trigg. Yes, sir; could have.

Mr. Talle. What do they sell for?

Mr. Trigg. The market price right today is just about support price; it ranges somewhere around $2.20 or $2.30, whatever the support price might be.

Mr. Talle. In other words, in some areas, the market price is below the amount of money the Government has invested in a bushel of soybeans?

Mr. Trigg. I expect that is true in some areas, but not to a great extent, because, generally speaking, prices are hovering right around the support price. But that is possible; that the market price could be below the support price on any commodity.

Mr. Talle. To the extent that that is true, it represents a loss to the Government; is that not right?

Mr. Trigg. If you calculate it as of this minute, that might be true, but many times these things are held in inventory at no loss, at a later date, to the Government.

Mr. Talle. That is possible.

Mr. Trigg. That is possible; yes.

Mr. Talle. The thing, you see, which troubles some people—and those people bring their troubles to me—is that the Government puts more money into a bushel than it gets back. That may or may not be true. It may vary as to areas. I realize how nobody can be sure what the future market is going to be, but that has occurred in other commodities, too.

Mr. Trigg. That has; and also, conversely, it has occurred where the Government has put in money in commodities, and the market price at a later date has gone up, and the Government has reaped the benefit, or has made money from some of the commodities that it has taken under price support.

Mr. Talle. That is right. So, to follow up this matter of troubles which come to me, these same people say, "If there is a world shortage of fats and oils and a great demand, and we have a great surplus, why do we not get rid of the surplus?"

Mr. Trigg. Of course, Mr. Congressman, our policy, as I say, is to export any agricultural commodity or product that is in surplus to our domestic needs.

Mr. Talle. Where is the largest surplus located, geographically, at the present time? I am referring now to soybeans.

Mr. Triggs. Of course, if it is in cottonseed oil or cottonseed, it would be principally in the South. In the case of soybeans, it might be in the Midwestern States; and, as to other commodities, wherever they might be produced.

Mr. TALLE. Do we not have about 60 percent in Iowa, Mr. Loveland.

Mr. LOVELAND. Do you mean in surplus?

Mr. TALLE. Yes.

Mr. LOVELAND. No; I think that is a little high, Mr. Talle. But the surplus lies out in the Illinois and Iowa area.

Mr. TALLE. That is the area of large production.

Mr. LOVELAND. That is right.

Mr. TALLE. In any event, that will be answered when the Department of Agriculture furnishes answers to some questions I asked yesterday.

Mr. TRIGG. We are checking on it; yes, sir.

Mr. TALLE. That is all.

The CHAIRMAN. Where there is an excess of goods, what effect can the exportation of the excess, if ample supply remains to meet domestic demands, have upon the domestic price? I do not see how it can have more than a temporary psychological effect. Is that not true?

Mr. TRIGG. I think, Mr. Chairman, that any surplus of any agricultural commodity that is held in this country can have its effect on the market on a permanent basis if it is not eventually moved out as a so-called drug on the market.

The CHAIRMAN. But the exportation of a surplus where ample supply remains to meet domestic needs would not have a permanent effect upon the price of the goods; would it?

Mr. TRIGG. I think it would have a tendency to bring the price up. Any time that the demand or, rather, I should say, the supply of any particular commodity is in absolute balance with demand, that is, when you have a perfect relationship, and the price will be more stable. It will not be lower, but will be what the public will pay for it.

The CHAIRMAN. As long as the supply meets the demand, there would be no reason to presume that it would be an excessive price? It would be a normal price?

Mr. TRIGG. That is right, sir.

The CHAIRMAN. Mr. Hays.

Mr. HAYS. Mr. Chairman, I just want to be sure I understood the figure on increase in domestic consumption of fats and oils. Was it 1 percent?

Mr. TRIGG. I believe that it figures out at about that: yes, sir.

Mr. HAYS. That is all; thank you.

The CHAIRMAN. Mr. Kilburn.

Mr. KILBURN. On page 5 of your statement, you say the decrease in the number of food items under export control in the past year proves that this policy has been carefully carried out. What was that decrease?

Mr. TRIGG. That primarily is wheat, grains, and flour, and that sort of thing, which have been put on general license for the Western Hemisphere countries.

Mr. KILBURN. What do you mean by "general license"?

Mr. TRIGG. There is no control of them. They are shipped without the exporter's getting an allocation.

Mr. KILBURN. The reason for my question is I am wondering when we are ever going to get rid of these export controls. Are you removing them as fast as you can?

Mr. TRIGG. Yes, sir.

Mr. KILBURN. Well, at what rate? When do you think there will be no further need for them?

Mr. TRIGG. Of course, the principal need now is on such items as fats and oils and meat.

Mr. KILBURN. I do not see any need on fats and oils, when you say there is a big surplus and foreign countries will not even buy what they are allocated now.

Mr. TRIGG. Well, I do not believe that the surplus on hand plus the expected production in the future, is such, on fats and oils, that it would warrant taking off controls entirely. I feel that the authority should be there in the hands of the Government to control; but, as we are always trying to do, to decontrol as soon as possible, and that continuous study should be given to the possibility of decontrol at an early date.

Mr. KILBURN. If you do not remove the controls on fats and oils under existing conditions, what conditions have to exist before you will remove controls?

Mr. TRIGG. When such time comes that the supply is sufficient that it will not cause an unnecessary drain on the supply such as to affect adversely the domestic economy.

Mr. KILBURN. I should think fats and oils qualify for such action. I should think those conditions might exist now in the case of fats and oils.

Mr. TRIGG. Well, of course, that is a matter of opinion. We feel that the world shortage is still such that to remove the controls entirely from edible fats and oils would cause a serious drain on this country and thus affect our domestic economy adversely.

Mr. KILBURN. Well, I do not want to see the controls removed if it is going to upset the apple cart, but I do not want to see any agency keep on controls just for the sake of controlling.

Mr. TRIGG. I agree with you.

Mr. KILBURN. That is all.

The CHAIRMAN. Mr. Buchanan.

Mr. BUCHANAN. I have no question at this time.

The CHAIRMAN. Mr. Deane.

Mr. DEANE. In the Secretary's statement yesterday, he indicated that by the end of 1948 there were certain commodities which had been decontrolled. Can the Department of Agriculture suggest any other commodity which might be decontrolled at the present time?

Mr. TRIGG. Well, the principal ones under control are fats and oils and meat, and our general policy is to decontrol them just as fast as we possibly can. You will remember, at the beginning of the hearing this morning, it was announced that the inedible fats and oils were being decontrolled.

Mr. DEANE. Of the various commodities now under control, which do you think faces the most critical situation insofar as a surplus is concerned?

Mr. TRIGG. There is no great surplus of any of the commodities that are under control.

Mr. DEANE. Well, domestically speaking.

Mr. TRIGG. Well, I presume you have in mind anything that might become of a burdensome surplus in the near future domestically.

Mr. DEANE. Yes.

Mr. TRIGG. I would not say that any surplus exists on anything that is under control at this time that is unnecessarily burdensome as of this time.

Mr. DEANE. From the questions that have been directed so far it seems to me to be limited to fats and oils. Are you in a position to know the problems facing this industry at the present time? Do you know anything about the industry?

Mr. TRIGG. Pretty generally; yes, sir.

Mr. DEANE. In the last week or 10 days or a month, have you made a survey or a careful study of the problems facing this industry?

Mr. TRIGG. We have those facts and figures available to us constantly. In other words, it is a continuous thing with us.

Mr. DEANE. Who, within the Department, is an authority on this particular subject at this time?

Mr. TRIGG. Our Fats and Oils Branch of the Production and Marketing Administration, of which I am Administrator.

Mr. DEANE. Which individual in the Department of Agriculture participates in these hearings concerning decisions so far as increasing or decreasing allotments or allocations are concerned?

Mr. TRIGG. There is a Commodity Committee which is set up in the Department of Agriculture, and it so happens that the chairman of the particular commodity or particular committee about which we are talking here, Fats and Oils Committee, is the Director of the Fats and Oils Branch. On that committee, there are representatives from Economic Cooperation Administration, from Commerce, and the Army, and others, and that is where these allocations are worked up.

Mr. DEANE. Assuming the gentleman makes a decision with reference to fats and oils, has he expressed himself to you on that subject?

Mr. TRIGG. Oh, yes.

Mr. DEANE. What is his opinion about it?

Mr. TRIGG. As to the total surplus?

Mr. DEANE. Yes; and as to the improvement of the situation with which we are now faced with reference to fats and oils.

Mr. TRIGG. Well, I think I correctly express his opinion when I simply say that we recognize there is a surplus right now of these fats and oils.

Mr. DEANE. That being true right now, when is the greatest demand for fats and oils? In what period of the year?

Mr. TRIGG. I do not think I can answer that.

Mr. DEANE. Is it not largely in the winter months?

Mr. TRIGG. Generally speaking.

Mr. DEANE. Are you positive of that?

Mr. TRIGG. October through March.

Mr. DEANE. Do you know what the manufacturers are receiving now for their product as compared with October?

Mr. TRIGG. It is less.

Mr. DEANE. How much less?

Mr. TRIGG. Are you speaking of all fats and oils now?

Mr. DEANE. Yes.

Mr. TRIGG. I can give you the figures on the two oils; cottonseed oil and soybean oil.

Mr. DEANE. What was that in October?

Mr. TRIGG. In October of 1948, it was 18 cents on cottonseed oil.

Mr. DEANE. What was it in December?

Mr. TRIGG. In December, it was 17 cents.

Mr. DEANE. What is it now?

Mr. TRIGG. I do not have that figure with me. It was 16.85 cents last Saturday, I am told.

Mr. DEANE. In view of the fact that now is the period of the greatest demand, do you not think that, unless something is done very soon, that the price will continue to drop?

Mr. TRIGG. Certainly, if any of the supply is exported, it will either stabilize the price or make the price go up a little. Whenever the supply is brought more in line with demand, it has an effect on the price.

Mr. DEANE. Do you think the Department would be willing to enter into an immediate serious study with reference to this problem and to make a recommendation concerning it?

Mr. TRIGG. We are studying it very seriously right now, sir, and doing, I think, the very thing that you ask us to do.

Mr. DEANE. What was the action you took yesterday afternoon?

Mr. TRIGG. Was it with respect to deallocating inedible fats and oils?

Mr. DEANE. Yes.

Mr. TRIGG. It was decided to decontrol them; that is, only inedible fats and oils.

Mr. DEANE. After all, who is the individual who is going to take the rap on this lowered price, in the final analysis?

Mr. TRIGG. Possibly, in the case of some oils, it would be the processor, and it could be, in the case of some oils, the producer. Ultimately, might go back to the producer.

Mr. DEANE. Mr. Brown tells me that the price which you indicated of 16.85 cents is not the figure quoted to him.

Mr. TRIGG. Cottonseed oil.

Mr. DEANE. Crude oil?

Mr. TRIGG. That is right.

Mr. DEANE. Then 14 cents is not correct?

Mr. TRIGG. The prices I gave you for October, November, and December were for crude. That was New York market.

Mr. DEANE. What was that?

Mr. TRIGG. New York market, refined, 16.85 cents.

Mr. DEANE. The information has come to me that the price was nearer 14 cents. Would you definitely confirm that figure?

Mr. TRIGG. I will, sir.

(Additional information submitted for the record by Mr. Trigg appears at pp. 64–67.)

Mr. DEANE. I come back to my question of a moment ago. Do you not think that the farmer is going to be seriously affected by this continual drop in the price?

Mr. TRIGG. He could be; yes, sir.

Mr. DEANE. After all, should not that particular group have our first consideration—not necessarily the industry, but the man growing the seed?

Mr. TRIGG. Our primary responsibility runs directly to the producer, in all of our programs; yes, sir.

Mr. DEANE. At the present time you are not in a position to say what your attitude would be with reference to facilitating new allocations?

Mr. TRIGG. All I can say, sir, is that we have them under very active consideration at all times.

Mr. DEANE. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Cole.

Mr. COLE. There seems to be some discrepancy, Mr. Trigg, in the figures for the production of edible oils for the year 1947 and last year. I wish you would give me those again, if you have them.

Mr. TRIGG. It could be, Mr. Cole, that the ones I am giving you are for the fiscal year ending June 1948 and June 1949.

Mr. COLE. How do your statistics show them for the fiscal year?

Mr. TRIGG. Fiscal year.

Mr. COLE. Let us have them again, please.

Mr. TRIGG. The total production of fats and oils for the period ending June 30, 1948, was 6,880,000,000 pounds.

Mr. COLE. Yes.

Mr. TRIGG. And for the period ending June 30, 1949, 7,375,000,000 pounds.

Mr. COLE. Then, the production is approximately 500,000,000 pounds more?

Mr. TRIGG. Yes, sir; a little over five—590,000,000 pounds.

Mr. COLE. 495,000,000 pounds?

Mr. TRIGG. Oh, yes.

Mr. COLE. I understand you to say 600,000,000, but 500,000,000 pounds would be correct?

Mr. TRIGG. That is correct.

Mr. COLE. Do I understand that it is not the attitude of your Department, nor of the Commerce Department, that this program will be permanent, so far as you are concerned?

Mr. TRIGG. So far as we are concerned, we want to decontrol any of these commodities that are under control at the very earliest possible date.

Mr. COLE. In listening to Mr. Loveland, and in reading the testimony which was produced yesterday—I was not here yesterday—I get the impression that the first consideration in this entire export program is, as Mr. Loveland said in his point No. 1, on the first page of his statement, "To protect our domestic economy from the excessive drain of scarce materials" rather than the second two points: "To implement foreign policy of the United States," and "to control the exportation of commodities important to our national security."

I am wondering if the important point is not the implementation of foreign policy and the protection of our national security. Are they not the two most important points involved in this program?

Mr. LOVELAND. It would be hard for me to say which was the most important. We must do the things you say, and we must protect our home economy. The question that bothers me, as someone suggested a while ago, is the fact that the price of the products to the consumer has not decreased to any great extent. You have to get that balance between export and home consumption.

Mr. COLE. I understand, but I am trying to determine whether or not there is a possibility that this may be a permanent program, and in that connection I am interested in knowing how important we deem it to protect our domestic economy from excessive drain on scarce materials. If that is important in this program, then we may be faced with a permanent program, may we not, because we will always be interested, if that is true, in the protection of our economy from a drain on scarce materials?

Mr. TRIGG. No; I would think not.

Mr. COLE. You would think not?

Mr. TRIGG. We can build up reserves to protect us, I think.

Mr. COLE. I wanted to clear that up. That is all, Mr. Chairman.

The CHAIRMAN. Mrs. Woodhouse.

Mrs. WOODHOUSE. Yesterday I understood that there was 20 percent of the allocated supply of oils which had not been taken up for export, and I wonder why countries were buying in Brazil and other places at a higher price than is charged here. Is it a matter of currency, or are there other considerations?

Mr. TRIGG. One factor could be that they have free dollars with which they might be buying. I do not know exactly why it could be. As I said earlier, I do not know exactly why the 20 percent has not been taken up. That is a problem which relates itself to the Department of Commerce.

Mrs. WOODHOUSE. It seems to me that that was a rather vital question, though, because if we still have that 20 percent that has not been taken up, then why do you think that to decontrol would cause us to export more?

Mr. TRIGG. I think this 20 percent figure should be approached from this standpoint: The allocations are made for a quarter, from January through March. There is only one-third of that quarter which has elapsed, and there are still 60 days in which the 20 percent could be taken up, and it could very easily be taken up.

Mrs. WOODHOUSE. I did not understand that. If you put it that way, you are really saying that there is only 20 percent of this quarter's supply left, which is quite different from saying that 20 percent has not been taken up.

Mr. TRIGG. That is right.

Mrs. WOODHOUSE. So it seems to me that a false impression has been created in that respect. Were the allocations of the last quarter of 1948 all taken up?

Mr. TRIGG. I would assume so. I am sure that they were, but there again I think it would be up to the Commerce Department to answer that question.

Mrs. WOODHOUSE. That is all.

Mr. BROWN. When did the last quarter begin—January 1?

Mr. TRIGG. Yes, sir; January 1 to March 31.

Mrs. WOODHOUSE. If there are still 2 months to go, that would show that 80 percent of your quarterly allocation has been taken up in the first month?

Mr. TRIGG. Yes.

Mrs. WOODHOUSE. Which presents quite a different picture to me from that which is indicated by saying that 20 percent of the allocation has not been taken up.

Mr. TRIGG. Yes.

Mrs. WOODHOUSE. May I ask that when you are getting the price figures that you get them with a 3-month lag, so that we can get the retail 3 months after the wholesale price, because there is a lag between the two. They do not run neck and neck.

Mr. TRIGG. Yes; we will do that.

The CHAIRMAN. Mr. McKinnon.

Mr. MCKINNON. I understood a little while ago that the regulation of exports of scarce materials very definitely affects the domestic price. And a moment ago you said, too, that the province of your Department primarily was to protect the producer. Now, if this power were given to you as suggested a few minutes ago, to have the sole responsibility to determine the amount of the allocation for export, would you be inclined to say whether you are going to make your export selection on the basis of holding up the price, or favoring the consumer and seeing to it that consumer prices come down?

Mr. TRIGG. I think the thing that we have to be sure of is that the producer is receiving a fair, just, and equitable price, a normal price for his commodity, and I do not think that you can work on any sort of a problem such as this without also giving due regard to the consumer and the consumer price.

Mr. MCKINNON. But the consumer is not represented on any of these boards that determine allocations; is he?

Mr. TRIGG. Well, the consumer is represented by the mere fact that there are about a half dozen different departments on these committees which work up the allocations, to begin with; namely, Department of Commerce, Department of State, War Department, Economic Cooperation Administration, and so on. I do not think that is unrepresented, as might be inferred from your question. But our principal and primary responsibility, of course, is to protect the producer.

Mr. LOVELAND. If I may make a statement with regard to that, I feel strongly that it is our obligation to the farmer to build sufficient reserves of food to protect the consumers and the reason we have had these last costs in the last year or two is because our reserves were low. When we build reserves to protect the consumers, I think we are entitled to program so that we will not lose our homes. To me that is the basis of the agricultural problem. We, as farmers, should build reserves of nonperishable items and when we do that, we are entitled to program so that we do not lose our homes like we did back in the early thirties. We are trying to obtain that balance, which we need, between producer and consumer. Now, wheat is down a third. Corn is down a half. I do not believe the price of bread has dropped correspondingly as yet, or the price of corn meal.

Mr. McKinnon. I think that is a very real problem for us to work on. My own philosophy is that the consumer is paying too much. But aside from that, we are faced with the actual operation as it exists today. It occurs to me that you people will be determining what is a fair price and at the same time, by your statement, your special interest in the matter is to take care of the producer. This is done solely as your responsibility, together with special people meeting with you, who represent a special line. It is not giving the consumer a fair break for the simple reason that your pressures would be to regulate your exports to maintain a high level of prices. It is only human. I think it is human to take care of yourself first or of your own category first. I think the consumer should be represented in that determination of allocations for exports.

Mr. Trigg. Of course, it is hard to consider any problem in which you would not give consideration to the consumer. If it is a matter of having a consumer representative on there, every individual on these committees is himself a consumer.

Mr. McKinnon. I do not quite go along with that. In other words, if you are growing cotton, you are going to consume a cotton shirt, too, but you do not care how much you pay for your shirt, particularly as long as you get a high price for the cotton; but the other people throughout the Nation are concerned with the price of the shirt.

Mr. Trigg. That is right.

Mr. McKinnon. So that when you say the consumer is represented on that committee, it seems to me that you may be consumers incidentally but that your special interest is maintaining a higher price rather than a competitive price.

Mr. Trigg. It is not entirely a higher price that we are interested in maintaining. We are interested in stabilizing agriculture and that does not necessarily mean a terrifically high price for any one commodity. It means a normal and fair return to the producer, which, in turn, will give a normal and fair and equitable price to the consumer. But, as you pointed out a minute ago, it is this spread between what the producer gets and what the consumer pays that is always being ascribed to the producer, and it is not entirely so.

Mr. Brown. I think a good illustration of the spread is that there is 12 cents worth of cotton in a $3 shirt. I think that brings the point out very well.

Mr. McKinnon. I think our committee could well investigate that spread and do a good job for the country.

Mr. Trigg. We could furnish you with some very good illustrations on that all across the line, as to what goes into the final product in the form of raw materials.

Mr. McKinnon. I am still wondering if you can determine a fair price and still represent one particular side.

Mr. Trigg. Of course, a lot of our price-support operations are on a mandatory basis through legislation passed by the Congress. It is a matter of mathematical calculation as to how much that return is per pound to the producer on the basis of that parity formula, and there is no alternative, insofar as we are concerned, in determining the price. It is just a matter of computing it.

Mr. McKinnon. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Dollinger.

Mr. DOLLINGER. You spoke before of the surplus out in the Middle West with respect to oils and fats. Is that in the hands of the farmer or has that already been allocated to investors and speculators, and have they the articles for sale or does the farmer have those articles on hand?

Mr. TRIGG. With the exception of soybeans, most of the oil-producing commodities have passed out of the hands of the producer.

Mr. DOLLINGER. So that to all intents and purposes, outside influences have that amount on hand now for distribution?

Mr. TRIGG. Yes.

Mr. DOLLINGER. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Mitchell.

Mr. MITCHELL. I am interested in the lag between the existence of facts which may warrant decontrol and actual decontrol. We talked yesterday a little bit about the timber industry. It contends that the production as compared to consumption has warranted decontrol for the last 6 months, and decontrol took place in December. On the inedible fats, the industry—at least the slaughterhouse industry and the rendering industry—makes the same contention, and decontrol is effective as of today.

What is the lag between the existence of the facts warranting decontrol and decontrol?

Mr. TRIGG. I do not know that there is any lag between the existence of the facts warranting decontrol and decontrol when you can establish the facts that all can agree on. I think it might be said that any industry that is interested in decontrol might work up facts and figures to support its position, that might not be agreed to by the people who have the responsibility for decontrolling or controlling.

Mr. MITCHELL. Who has the responsibility for decontrolling?

Mr. TRIGG. The Government.

Mr. MITCHELL. I know the Government does, but who in the Government? When did the Department of Agriculture recommend the decontrol of inedible fats, for instance?

Mr. TRIGG. The final authority for decontrol of these commodities is in the hands of the Department of Commerce.

Mr. MITCHELL. But there are several agencies which make recommendations on that point.

Mr. TRIGG. That is right.

Mr. MITCHELL. What causes the lag between? How long do the various agencies take to determine their response on a set of facts?

Mr. TRIGG. Well, of course, I do not know that I can answer you categorically; 1 week or 6 weeks or any other time. But we have it under constant review. Whenever the facts or figures change a picture, whether it is today or a week from now or 6 months, we are in a position to recommend at that moment that action be taken in line with the facts and figures that are available.

Mr. MITCHELL. And is some other agency in a position to veto your suggestion?

Mr. TRIGG. Well, the final authority is not, insofar as our own committee is concerned, in the Department of Agriculture, but is given to the Department of Commerce by legislation.

Mr. MITCHELL. You cannot tell us, then, how many agencies act upon this before decontrol is ordered?

Mr. TRIGG. I would rather the Department of Commerce answered that question, but it is acted upon by a committee composed of representatives from the several agencies.

Mr. MITCHELL. That is all.

The CHAIRMAN. Mr. O'Hara.

Mr. O'HARA. Mr. Brown has brought forcefully to our attention the plight of an industry because of lack of immediacy in action taken. How do you meet that situation? Is there excessive study and deliberation and conference before there is that positive action upon which depends the welfare of an industry?

Mr. TRIGG. I would say that there is deliberation and conferences. I do not think they are in excess, but I think the people who have the responsibility must be convinced by facts and figures and discussion that a situation exists that would warrant increased allocations or decontrol, specifically to the point.

Mr. O'HARA. Well, when you have piled up your surpluses, a lowering price, and the industry is suffering, how many conferences do you have before action is taken?

Mr. TRIGG. That would depend, sir. It might be that you could accomplish your objective in one conference of an hour or so, or in one conference of a few minutes, or it might take additional study on the problem.

Mr. O'HARA. Well, in the specific matter that Mr. Brown brought to our attention—he brought it yesterday to the attention of the Secretary, and it has come up again today—what is being done there?

Mr. TRIGG. It is certainly under constant review and consideration.

Mr. O'HARA. How long can an industry facing such a plight continue to survive if those conferences are going on endlessly?

Mr. TRIGG. Well, I think it has been brought out here this morning by some member of the committee that the industry was in serious difficulty because of the banks calling their loans and that sort of thing.

Mr. O'HARA. Is this matter of divided authority between your department and the Department of Commerce partly responsible?

Mr. TRIGG. Let me say that my personal philosophy is that there should be single authority on any important question, and it is much easier to do a job administratively where that situation exists. But I do not know how much delay could be occasioned due to the fact that the Department of Agriculture does not have final authority.

Mr. O'HARA. That is all. Thank you.

Mr. MITCHELL. May I ask just one more question?

The rendering business, for instance, has stated in a number of letters to me that the export controls have demoralized the relation of the tallow price to the beef price. Can you comment on that?

Mr. TRIGG. They have extremely large allocations.

Mr. MITCHELL. Have they used those allocations?

Mr. TRIGG. Yes, sir; they have been used, and I do not know of any instance where they have not been able to get an export license for any amount.

Mr. MITCHELL. Then, their contention is wrong, when they say that the export control system has worked a hardship upon that industry?

Mr. TRIGG. I do not like to say that any industry's contention is wrong, because I think people are not infallible, and certainly the people in the Government are not infallible. But our information leads us to believe that there is some misunderstanding, certainly, on their part.

Mr. MITCHELL. I am interested in that because I would like to know whether they are being given some misinformation by some outside sources with regard to the effect of the export control program on them as individuals. These producers are small producers. Is the fat-saving program for housewives still in existence?

Mr. TRIGG. It is in a sort of continuing status; yes, sir.

Mr. MITCHELL. The Government is still asking the housewife to save fat?

Mr. TRIGG. We are not promoting actively any campaign to save us the fats; no, sir.

Mr. MITCHELL. Is the fat purchased from the housewife?

Mr. TRIGG. I do not believe it is.

Mr. MITCHELL. That was a point used by the tallow industry.

Mr. TRIGG. I may be wrong. I would have to check it for sure, but I do not believe it is being purchased as of now.

Mr. MITCHELL. Would that, in itself, indicate the reason for decontrol of inedible fats at an earlier date?

Mr. TRIGG. I think the program set up during the war emergency for saving used fats is something that will carry over. I think it is a habit which has been created and established, and the housewife is now used to saving used fats and putting them in a can and finally disposing of them in some way instead of pouring them down the drain. I think that is a habit that, regardless of what the fat-salvage people may do themselves, or the Government, is going to continue for some time to come.

Mr. MITCHELL. It is not a bad habit, is it?

Mr. TRIGG. Personally, I think it is a good habit.

Mr. MITCHELL. But I would like to get the relationship between the position of the rendering industry and the housewife who is saving the inedible fat.

Mr. TRIGG. Of course, if the supply is increased, of inedible fats, by this fat salvage program, naturally, it would have its effect on the price to the renderer of fats coming from other sources.

Mr. MITCHELL. It is true that the tallow manufacturers had export allocations sufficient to meet their full demands?

Mr. TRIGG. That is my understanding, yes, sir.

Mr. MITCHELL. Could we have that definitely for the record?

Mr. TRIGG. Certainly. We will supply it.

(Additional information submitted by Mr. Trigg appears at pp. 64–67.)

Mr. BROWN. I think the record should show that the raw cottonseed cannot be shipped easily to foreign countries on account of the moisture in same.

Mr. TRIGG. Yes, sir; plus the fact that there is not delenting equipment available in European countries.

Mr. BROWN. That is all.

The CHAIRMAN. Without objection the letter addressed to me and signed by Charles E. Bohlen, counselor, Department of State, may be inserted in the record.

(The letter referred to is as follows:)

DEPARTMENT OF STATE,
Washington, January 31, 1949.

Hon. BRENT SPENCE,
Chairman, Committee on Banking and Currency,
House of Representatives.

MY DEAR MR. SPENCE: The Department of State is informed that the Banking and Currency Committee of the House of Representatives has under consideration H. R. 1661, providing for the continuation of authority for the control of exports. It is the view of the Department, already transmitted to the Senate Committee on Banking and Currency, in response to that committee's request for an expression of opinion, that legislation for this purpose should be enacted. The particular provisions of H. R. 1661, it is believed, are identical with those of S. 548, which have received the endorsement of the Department.

Because of the urgency of the matter, this letter has not been cleared with the Bureau of the Budget and does not constitute a commitment respecting the President's program.

Sincerely yours,

CHARLES E. BOHLEN, *Counselor*
(For the Secretary of State).

The CHAIRMAN. If it is agreeable to the committee, we will meet at 2:30 this afternoon to continue these hearings.

Mr. LOVELAND. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Secretary and Mr. Trigg, for your valuable assistance.

(The following letter and tabulations were subsequently submitted by Mr. Ralph S. Trigg:)

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Washington 25, D. C., February 4, 1949.

Hon BRENT SPENCE,
Chairman, Committee on Banking and Currency,
House of Representatives.

DEAR MR. SPENCE: In response to your recent request for data with respect to fats and oils, we are submitting the following information:

1. A table showing the monthly prices of cottonseed, soybean, and peanut oils for 1946, 1947, and 1948.
2. A table showing monthly retail prices of oleomargarine and hydrogenated shortening for 1946, 1947, and 1948.
3. A table showing United States production of edible fats and oils from domestic materials for the period 1937-48, inclusive. It should be noted that butter production is on a product-weight basis.
4. A table showing United States production of edible fats and oils by months for the calendar year 1948.
5. Summary of differences between USDA recommended allocations of fats and oils and grains, and quotas approved by the Department of Commerce.

As of December 31, 1948, the Commodity Credit Corporation has purchased 250,587,293 pounds of farmers' stock peanuts at a cost of $27,383,377.27. In addition, CCC, through December 31, purchased 336,691,989 pounds of No. 2 and oil stock shelled peanuts at a total cost of $52,051,839.11. The total purchases of peanuts as of December 31 amounted to $79,435,216.38.

Soybean loans on December 31, 1948, were in effect on 6,411,680 bushels. The total amount outstanding on these nonrecourse loans was $14,206,935.27. In addition to the loans, purchase agreements were entered into for 4,065,410 bushels of soybeans as of December 31. If farmers deliver these beans to the CCC the cost of purchase would be approximately $8,950,000.

It is not possible to make a definite statement as to the surplus of soybeans in the United States because we have both soybeans and soybean oil, as well as other edible fats and oils, available for export. The extent to which one is exported affects the export availability of the other.

To date 16,785,000 bushels of soybeans and 84,000,000 pounds of soybean oil have been allocated for export for the period October 1948 to March 1949.

The quantity of soybeans in storage in all positions in Iowa on January 1, 1949, was reported as 20,782,000 bushels.

We believe this to be all the information requested.

Sincerely yours,

RALPH. S. TRIGG, *Administrator.*

Average monthly wholesale prices, 1946 through 1948 [1]

[Cents per pound]

Month	Cottonseed oil, crude, southeast mills, tanks			Soybean oil, crude, Midwest mills, tanks			Peanut oil, crude, Southeast mills, tanks		
	1946	1947	1948	1946	1947	1948	1946	1947	1948
January	12.75	28.80	28.00	11.8	26.0	26.6	13.00	29.25	28.75
February	12.75	32.75	22.25	11.8	28.4	19.6	13.00	32.00	23.75
March	12.75	36.00	23.94	11.8	33.6	21.4	13.00	36.62	24.25
April	12.75	31.75	29.25	11.8	27.4	24.5	13.00	30.50	29.12
May	12.75	23.60	34.62	11.8	21.4	26.3	13.00	24.50	33.25
June	12.75	21.88	35.38	11.8	18.2	27.3	13.00	22.00	33.75
July	12.75	22.19	27.50	11.8	17.2	22.1	13.00	22.00	27.75
August	15.08	18.50	24.62	13.7	15.9	22.1	13.00	19.25	25.25
September	[2] 12.75	20.62	22.12	11.8	18.8	22.8	13.00	20.75	24.25
October	18.95	21.40	18.80	18.8	20.7	18.6	19.15	22.50	21.00
November	26.56	26.62	19.62	24.2	25.6	19.1	27.25	27.75	20.00
December	27.00	26.94	17.08	24.6	26.2	17.3	27.60	28.50	18.12
Average annual	15.80	25.92	25.26	14.6	23.3	22.3	15.92	26.30	25.77
Jan. 29, 1949 [3]	1949: 14.25 N			1949: 13.50 B–13.75 A			1949: 17.25 A		

[1] Compiled from reports of the Bureau of Agricultural Economics.
[2] Ceiling price, no sales reported.
[3] From Chicago Journal of Commerce, N=nominal, A=asked, B=bid.

Oleomargarine, uncolored, and hydrogenated shortening—Average monthly retail prices in leading cities of the United States

[Cents per pound]

	1946		1947		1948	
	Margarine	Shortening	Margarine	Shortening	Margarine	Shortening
January	24.1	24.8	42.3	44.3	42.0	46.8
February	24.3	24.8	41.9	44.3	41.5	45.1
March	24.1	24.8	43.9	46.0	40.8	44.4
April	24.2	24.8	45.7	51.2	40.8	42.9
May	24.3	24.8	41.3	49.0	42.4	43.8
June	24.1	24.7	40.3	45.4	44.1	45.2
July	25.2	25.2	39.9	44.0	43.7	45.7
August	30.4	28.9	39.9	42.2	42.9	43.4
September	26.5	26.3	36.1	39.6	41.9	43.0
October	27.2	27.0	38.1	39.7	40.2	42.6
November	42.5	44.9	39.1	41.0	38.9	42.5
December	42.5	44.3	41.7	45.6	38.0	42.0
Annual average	28.3	28.8	40.8	44.4	41.4	43.9

Source: Bureau of Labor Statistics, Department of Labor.

United States production of edible fats and oils from domestic materials

[Millions of pounds, crude basis]

	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948
Butter (actual weight)	2,096	2,240	2,211	2,240	2,267	2,130	2,015	1,818	1,701	1,501	1,643	1,530
Lard and rendered pork fat	1,431	1,728	2,037	2,288	2,228	2,400	2,865	3,054	2,066	2,138	2,438	2,325
Edible tallow; Animal stearine; Oleo stock and oil	201	232	213	187	234	277	259	193	202	124	182	136
Cottonseed oil	1,626	1,678	1,390	1,274	1,392	1,386	1,313	1,132	1,273	966	1,117	1,463
Soybean oil	194	323	458	533	586	762	1,234	1,246	1,392	1,454	1,542	1,603
Peanut oil	51	78	73	84	150	77	153	108	95	101	132	138
Corn oil	127	137	151	158	203	248	239	211	205	198	246	203
Olive oil	2	5	7	4	10	7	10	6	4	2	2	3
Total	5,728	6,421	6,540	6,768	7,070	7,287	8,088	7,773	6,938	6,484	7,302	7,401

United States production of edible fats and oils, 1948 by months, crude basis [1]

[In millions of pounds]

	January	February	March	April	May	June	July	August	September	October	November	December	Total, year
Butter, creamery production, weight [2]	79	77	90	100	133	139	126	117	96	93	79	84	1,213
Lard [3]	217	164	151	132	146	189	140	105	105	141	201	250	1,941
Cottonseed oil	164	130	105	68	48	38	32	52	166	224	224	212	1,463
Soybean oil	153	140	139	134	129	124	123	105	104	137	155	160	1,603
Peanut oil	19	12	10	12	19	14	7	2	2	8	18	14	137
Corn oil	18	16	15	15	15	16	15	16	17	20	21	19	203
Olive oil	1	1	(4)	(4)	----	----	----	----	----	(4)	(4)	(4)	2
Tallow, edible	7	7	6	5	5	5	4	5	5	5	7	8	69
Oleo oil	4	4	2	1	2	4	3	4	3	4	5	3	39
Oleo stearin	3	3	1	1	1	3	2	3	3	3	3	3	29
Total	665	554	519	468	498	532	452	409	501	635	713	753	6,699

[1] Compiled from reports from the Bureau of the Census and from Bureau of Agricultural Economics.
[2] Excluding estimated production farm butter amounting to 316,000,000 estimated for 1948.
[3] Excluding estimated production farm lard amounting to 384,000,000 estimated for 1948.
[4] Less than 500,000 pounds.

Summary of differences between USDA recommended allocations of fats and oils and grains and quotas approved by the Department of Commerce

[Million pounds]

Date recommended (1948)	Allocation period	Commodity	Unit	Quantity recommended (1)	Quantity approved (2)	Difference (3)	Date approved (4)
		FATS AND OILS					
Aug. 17	July to September.	Shelled peanuts	Thousand pounds fat content.	43,516	21,758	[1] −21,758	Sept. 8
Sept. 27	October to December.	Flaxseed	do	109,725	77,000	−32,725	Oct. 8
Do	do	Soybeans	do	40,500	45,000	−28,476	Oct. 18
Oct. 11	do	do	do	32,976			
Nov. 18	do	Inedible tallow and grease.	do	33,000	30,800	−2,200	Nov. 29
Do		Shelled peanuts	do	43,000	25,800	−17,200	Do.
Dec. 6	January to March.	Edible fats and oils.	do	108,600	95,900	−12,700	Dec. 16
Do	do	Inedible fats and oils.	do	68,500	66,000	−2,500	Do.
Do	do	Soybeans	do	28,200	25,100	−3,100	Do.
Do	do	Shelled peanuts	do	64,700	72,800	[2] +8,100	Do.
		GRAINS					
Aug. 24	October to December.	Wheat	Thousand long tons.	2,582	2,312	−270	Sept. 3
Do	do	Flour, wheat equivalent.	do	648	570	−78	Do.
Do	do	Other grains (excluding corn).	do	438	836	[3] +398	Do.

[1] Resubmitted for October to December and approved.
[2] Not a compensation for reductions in other fats and oils inasmuch as USDA recommendations on peanuts included all that was believed could be exported during the quarter.
[3] Not a compensation for reduced allocations of breadgrains but quantity requested during negoiations when it became apparent that Commerce was willing to approve the larger allocation.

(Whereupon, at 12:30 p. m., the committee recessed, to reconvene at 2:30 p. m.)

AFTERNOON SESSION

The CHAIRMAN. The committee will be in order.

Mr. La Roe is our next witness and he represents the National Independent Meat Packers Association.

Mr. La Roe, you may proceed without interruption until you have completed your statement.

STATEMENT OF WILBUR LA ROE, JR., GENERAL COUNSEL, NATIONAL INDEPENDENT MEAT PACKERS ASSOCIATION

Mr. LA ROE. If the committee please, my name is Wilbur La Roe, Jr. I am general counsel of National Independent Meat Packers Association, with offices in the Investment Building, Washington, D. C. Ours is the largest association of meat packers in the United States. It does not include the so-called big packers.

The situation which we desire to present to you is hardly less than tragic. There is such a surplus of fats and oils that lard is selling far below cost of production, the present price of lard being from 12 to 15 cents while the price of the live hog is about 21 cents. Yet the Government continues to deny to producers the export markets except for such limited allocations as they see fit to allow from time to time.

I should say, Mr. Chairman, that my statement was prepared before the announcement made this morning about inedible fats and oils. But the relief is restricted to inedibles and does not apply to lard.

The plight of the renderers, whom I do not represent, is really very serious. There is no escape from the conclusion that the present market demoralization is due largely to the narrowly restrictive policy of the Department of Agriculture and the Department of Commerce and especially the policy of the Fats and Oils Branch of the Production and Marketing Administration.

May I interrupt myself to say two things, Mr. Chairman: First, while this may seem to be an unromantic subject—and some people think it is not important—it is of greater importance than we realize. Mr. Jensen, Congressman from Iowa, introduced some facts in the Congressional Record at page 666, tending to show that the producers get a billion dollars a year out of these fats and oils and if you take the whole economy, the processing, wages, and everything, it adds up to $7,000,000,000 to the national economy.

I want also to say, with respect to a suggestion that was made this morning, that this whole thing be placed in the hands of the Department of Agriculutre, that our experience has been that they are more restrictive in this matter than is the Department of Commerce. I think the machinery, if I am not mistaken, is that the Department of Agriculture pretty much formulates these exports allocations, and Mr. Sawyer approves or disapproves them.

As to our commodities, the edible commodities that we produce, I do not think there have been many cases where Mr. Sawyer has said no. The people who keep on saying no in the face of this surplus are especially the people of the Fats and Oil Branch of the Department of Agriculture. So to turn the thing over to Agriculture, as we see it, would not give any relief.

There are no legislative criteria to chart a course for the administrative officials, with the result that the power to control is at times arbitrarily exercised and in a manner to work great injury. This injury extends to farmers because anything that unnaturally or artificially limits the export market for fats and oils has a tendency to depress the price of live animals, and the price decline in recent weeks has been very sharp. Then, too, when meat packers lose heavily on their fats and greases there is a natural tendency for them to try to make up the loss on meat, to the injury of the public, or to take it out of the producer of animals.

The price of meat has been too high. It is not a good thing for my clients to have the price of meat so high that the consumer is restrained from buying. Our people succeed only with large volume and they cannot get the large volume unless the farmers will produce. We would like to see the farmer get a good price for his animals, a good enough price for us to get volume. Volume is the important thing to us, and high prices hurt us just as they hurt the public.

The potential demand for fats and oils abroad is substantial, in fact, it is vitally necessary from a health viewpoint that the people of Europe get fats and oils. They need them for vitamins and they need them for soap. A spokesman for General Clay said recently, on page 5 of record of conference held November 29 last by the Department of Agriculture:

> There is a perfectly tremendous demand for fats. The need is desperate. The fat crisis is here. We will take anything at any time that will be furnished us. We have asked for allocations in the past, but somehow they never reach us.

"Somehow they never reach us," says General Clay. Well, the answer to that is that in the face of a demoralization of the domestic market because of excess domestic supplies, and in the face of an almost pitiful plea from Europe for more fats and oils, those in charge of our export controls are restricting the exports severely and narrowly. At a time like this, when the domestic market is so demoralized, there should be no controls at all, but there is no statutory criterion to guide those who stand at the gates, and they are exercising their discretion in a manner that is very harmful to American industry and of benefit to nobody except the soap manufacturers. Mr. Dalton, representing the soapers, said, at page 16 of the same record, that he does not find much tangibility in these rumors of European needs, or the damage done by the western blizzards. General Clay can beg for fats and oils, but Mr. Dalton sees nothing tangible in his plea. The blizzards can kill thousands of animals on the western plains—which will not be good for anything except rendering—but these blizzards are not realistic to Mr. Dalton because all he is interested in is keeping the price of fats and oils down.

One of the grave difficulties with this whole picture is the amount of guesswork in which the Department of Agriculture engages because of the lack of reliable information as to the domestic stocks. I may say, if the committee please, that the difficulty which the committee members had this morning in getting figures is a difficulty which we share with them. For example, last year they estimated ending stocks of inedible fats and oils at 694,000,000 and it turned out to be 788,000,000, or nearly a hundred million pounds underestimated. On the basis of such an underestimate they restrict the exports and the result is demoralization.

The record of the conference before the Department of Agriculture on November 29, last, a typewritten record, shows that Government officials and producers of inedible tallow and grease have frequently agreed that 200,000,000 pounds of storage stocks is an ample inventory to be normally maintained, yet at the beginning of last year there were 244.8 million pounds in storage and this climbed by April 1 to 300,000,000 pounds, and during the second quarter of the year it climbed to 323,000,000 pounds, and by August 1, to 365,000,000 pounds. What possible justification can there be for severe export limitations under such conditions? It is this sort of thing that has played havoc with the domestic industry.

Again, the Government estimated that stocks of tallow and grease on September 30, 1948, would be 260,000,000 pounds and that on January 1, 1949, they would be 225,000,000 pounds, but by September 30 the figure was 324,000,000 pounds instead of 260,000,000 pounds. These These terribly bad estimates are nothing less than ruinous.

This increased use of detergents in lieu of fats and oils makes the situation worse, and is not reflected in these figures, and if the consumption is less than the estimates, and if exports are restricted, we have a piling up and a price demoralization such as we have now. The use of detergents strikes a severe blow at the whole fats and oil industry and makes severe export controls less justifiable than ever.

The above record before the Department of Agriculture shows that during the first 10 months of 1948 (p. 36) cash lard brought $189,000,000 less than the average cost of the live hogs. This hurts the farmer and it hurts everybody except the soapers. Why should exports be strictly policed when lard brings close to $200,000,000 less than cost? We are dealing here, gentlemen, with a very serious problem.

The seriousness of this problem will be accentuated by the enormous corn crop and consequent huge production of hogs. The situation will get worse instead of better.

I doubt if the committee needs to worry about the domestic supply being drained away. In the first place, the real demand abroad is limited by the scarcity of dollars. In the second place, we do not need to worry any longer about glycerine because that is now manufactured from petroleum. In the third place, the domestic picture is so black that it will be a long, long time before it will be a bright picture. How can there be any worry about domestic supply with the enormous corn crop and with thousands upon thousands of dead animals supplementing the other large supply of fats and oils?

I speak for the largest association of independent meat packers. One of our practical difficulties is that some of our competitors maintain branch houses or agencies in Cuba and other foreign countries, and they can and do obtain export licenses which places them in a position to sell these commodities at the world market price, placing the smaller packers at a disadvantage who do not have these plants and agencies in other nations.

Attached to this statement are three typical letters from our members. The first letter is from Mr. M. H. Brown, vice president of Great Falls Meat Co., Great Falls, Mont., and says that he is being offered 6 cents to 6½ cents for fats rendered from cattle costing from 20 to 28 cents per pound. The second letter is from Potts & Wall Packing Co., of Okmulgee, Okla., and says, "We find it almost impossible to move inedible fats at any price, and lard is selling for 4 cents below the live-hog cost." The third is from Peet Packing Co., of Chesaning, Mich., which says that 30 percent of the hog is fat and traditionally lard sells at about the live-hog cost, while today the live-hog cost is 21 cents and the lard price 13 cents.

I submit to the committee that it should not require much proof on our part that it is unfair to let Argentina and Uruguay sell their tallow and grease in European markets at 20 cents when the best price that can be obtained here is 9 cents. Such a condition helps producers and farmers in the South American countries and hurts producers and farmers here.

Our plea here today is for termination of export controls on fats and oils to Western Hemisphere countries and to European countries operating under the Marshall plan. If you will give us this relief, it is always within your power to reimpose controls if and when there is such a substantial change in economic conditions as to show the necessity for controls, which change cannot take place for a long time. If the above request for complete termination is not acceptable to the committee, then, we ask that controls be terminated unless the Secretary of Commerce, certifies as to any calendar quarter that the volume of export fats and oils will, or is likely to, equal or exceed the imports of fats and oils into the United States. In the paragraph below the wording before the parenthesis takes care of our first request, and the additional language in parenthesis embodies our alternative suggestion if the first suggestion is not acceptable to the committee:

Sec. 3 (c). The authority granted by this section shall not be used to prohibit or restrict the exportation of fats and vegetable, animal, and marine oils to nations in North and South America or to European countries cooperating in the European recovery program—

that is another way of saying that we would feel safer if this matter were in the hands of this committee to be determined when the time comes that export controls are needed than to leave them in their present hands.

Our alternative suggestion, if you think that is going too far, is to ask that you add "except upon certificate of the Secretary of Commerce that during the next calendar quarter the volume of exports of such fats and oils will, or is likely to, equal or exceed the imports into the United States of fats and oils."

In other words, we think we at least ought to have that balance. But our first request is that, at least for the present, you do as to the edible fats and oils what they did this morning or yesterday as to the inedible fats and oils. They removed those controls, and we would like to have the same thing done as to the edible fats and oils until this committee finds that the domestic situation is such as to require reimposition of the controls.

(The three letters referred to are as follows:)

GREAT FALLS MEAT CO.,
Great Falls, Mont., January 21, 1949.

General Counsel WILBUR LA ROE, Jr.,
Washington, D. C.

DEAR MR. WILBUR LA ROE, JR.: I am writing this letter on behalf of our company that has been in the meat-packing business for the past 61 years. We are asking you to give serious thought and consideration to the immediate decontrolling of inedible animal fats and oils.

We find ourselves in a position today being offered 6 cents to 6½ cents for fats that have been accumulated and rendered off of cattle costing from 20 to 28 cents per pound.

At the present time, there is a lack of demand in the country for inedible animal fats and oils and we are forced to sell at ruinous prices and are at the mercy of the large users.

No doubt, you have been contacted from all angles and sources for the same request, but we hope, after being presented with the facts for your consideration and study, that you might be in favor for decontrolling fats and oils at the earliest possible date, due to the lack of an American market.

Yours very truly,

GREAT FALLS MEAT CO.,
M. H. BROWN, *Vice President.*

P. S. The above letter has been sent to the Congressmen and the two Senators from Montana, and also to the Secretary of Agriculture and the Secretary of Commerce.

POTTS & WALL PACKING CO.,
Okmulgee, Okla., January 20, 1948.

Hon. CHARLES F. BRANNAN,
Secrtary of Agriculture, Washington, D. C.

Hon. CHARLES SAWYER,
Secretary of Commerce, Washington, D. C.

Hon. ROBERT S. KERR,
United States Senate.

Hon. ELMER THOMAS,
United States Senate.

GENTLEMEN: May we call your honorable attention to the state of the Nation, insofar as inedible, and, edible fats are concerned? Under export controls, the Nation is just about to drown in its own grease. While our operations are small. we feel the impact of reduced values of both edible and inedible fats. We find it almost impossible to move inedible fats at any price, and lard is selling for 4 cents below the live-hog cost. Renderers in this part of the country have decreased the price they pay for slaughterhouse offals by 50 percent; and in many instances rendering materials are left to rot because of the low value of inedible fats. Surely, it is time to decontrol fats and oils, so that the industry can get its fat "out of the fire." May we have your support in this deplorable situation?

Respectfully,

POTTS & WALL PACKING CO.
C. A. POTTS.

PEET PACKING CO.,
Chesaning, Mich., January 21, 1949.

Mr. WILBUR LA ROE, Jr.,
Washington, D. C.

DEAR MR. LA ROE: We are today sending the following letter to Hon. Charles F. Brannan, Secretary of Agriculture; Hon. Charles Sawyer, Secretary of Commerce. and copies to Senators Ferguson and Vandenberg and Congressman Crawford:

"It was with genuine interest that I read today of the additional 30,000,000 pounds of lard that has been allocated along with other fats and oils to foreign countries.

"Because about 30 percent of a hog is fat. the price of lard has traditionally approximated that of the live hog. However. today while the price of live hogs is 21 cents the price of lard is less than 13 cents. A year ago, the price of live hogs was 27¼ cents and the price of lard was 28 cents.

"A similar situation exists in inedible fats. Prime tallow today is quoted at 9 cents while a year ago it was 27 cents. Naturally these prices reduce the amount the packer can pay the farmer for his livestock and at the same time increases the amount of money the consumer must pay for his meat.

"While the additional 30,000,000 pounds allocation should have some bolstering effect upon a badly sagging fats and oils market, the best that can be hoped for will be something in the way of a temporary result. Because of the abundant domestic supply of fats and oils along with what we are told is a great need for these items in foreign countries, it is difficult for us to understand why there is any further need of imposing export controls on fats and oils. The effect of these controls is simply to create an artificial surplus of these items and we would urge you to lend every effort toward the decontrol of fats and oils at the earliest possible date."

Very truly yours,

PEET PACKING CO.,
R. D. STEARNS,
Vice President and Treasurer.

The CHAIRMAN. What is the demand for edible oils and fats in the United States, Mr. La Roe?

Mr. LA ROE. I do not know that I can be specific on that. I know that it is difficult. The Department of Agriculture calls what goes out as disappearance, and for the last 12 months of the fiscal year ending in 1948 the total disappearance of edibles was 6,600,000,000 pounds, and of the inedibles 3,743,000,000 pounds.

The CHAIRMAN. How did that compare with the supply?

Mr. LA ROE. There has been some increase in the demand, if that is what the chairman is getting at. I can give it to you, if you like, by quarters running all the way to the first part of 1946.

Taking first the July–September quarter—that is, the third quarter in 1946—total disappearance—I will give you the supply as well as the disappearance, and, in order to avoid confusion, I will give the supplies first.

Third quarter of 1946, total production, 1,164,000,000 pounds. Next quarter, 1,953,000,000 pounds. First quarter of 1947, 1,994,000,000 pounds. Second quarter of 1947, 1,566,000,000 pounds. For the whole fiscal year, ending in 1947, 6,600,000,000 pounds.

For the third quarter of 1947, 1,373,000,000 pounds. Last quarter of 1947, 2,000,000,000—almost an even figure.

For the first quarter of 1948, 1,991,000,000 pounds. Second quarter, 1,562,000,000 pounds. Total for the fiscal year ending in the middle of the last calendar year, 6,899,000,000.

The third quarter of 1948, 1,287,000,000 pounds, and in the last quarter, 2,150,000,000 pounds, those latter two being partially estimates.

Now as to the disappearances.

Going back to the third quarter of 1946, 1,300,000,000 pounds.

The last quarter, 1,700,000,000.

First quarter of 1947, 1,700,000,000.

April-June, second quarter, 1,300,000,000 pounds.

Total for the 12 months ending in the middle of that year, 6,100,000,000 pounds.

Now, for the third quarter of 1947, 1,572,000,000 pounds.

Last quarter, 1,790,000,000 pounds.

First quarter of 1948, 1,651,000,000 pounds.

Second quarter, 1,650,000,000 pounds.

Total for the 12 months ending in the middle of last year, 6,600,000,000, which is about a half billion more than the previous year.

Third quarter of 1948, 1,400,000,000, and the last quarter of 1948, partially estimated, 1,800,000,000 pounds, which is about 300,000,000 pounds in excess of the previous year.

The CHAIRMAN. What is the excess of production over disappearance for that period?

Mr. LA ROE. Well, that ought to be shown by the ending stocks, which are as follows:

For the third quarter of 1946, 589,000,000 pounds; for the last quarter, 745,000,000 pounds; for the next quarter—that is, the first quarter of 1947—844,000,000 pounds; second quarter, 948,000,000 pounds; third quarter, 614,000,000 pounds last quarter, 755,000,000 pounds; first quarter of the last calendar year, 678,000,000 pounds; second quarter, 679,000,000 pounds; July to September, estimated, 431,000,000 pounds; and October to December, 659,000 pounds.

Those are edible fats and oils only, you understand.

The CHAIRMAN. What is the existing store of fats and oils now?

Mr. LA ROE. The last figure we have is what we get from them, and they have not given us confidential figures up to date. But you can get that from them in executive session.

The CHAIRMAN. You say that the exports exceeded the imports. What were the imports and where did they come from?

Mr. LA ROE. Well, I cannot tell you where they came from, but I can give you the figures.

Let us take the imports first because they are shown first on the list.

For the 12 months ending in the middle of 1947, only about 22,000,000 pounds, and for the 12 months ending in the middle of last year, 1948, 28,000,000 pounds. For the third quarter of last year, estimated, 12,000,000 pounds, and for the last quarter, 3,000,000 pounds.

Now, as to exports:

July to September period, 1946, 124,000,000 pounds; last quarter, 74,000,000 pounds; first quarter of 1947, 118, 000,000 pounds; second quarter, 110,000,000 pounds; third quarter, 137,000,000 pounds; last quarter, 152,000,000 pounds. This last year—last calendar year—first quarter, 153,000,000 pounds; second, 83,000,000 pounds; third quarter, estimated, 69,000,000 pounds; and last quarter, estimated, 116,000,000 pounds.

You see, one point is this, if the committee please: That as to the edible fats and oils the exports have been only about a tenth of a billion and a quarter compared with a production which runs up as high as over 2,000,000,000 pounds. In other words, the amount that goes out is only a very small percentage of the total, and that in the face of a demoralization of the domestic market.

Now, there is one thing I want to emphasize. I want to be fair about this. The figures themselves are a little bit misleading for this reason—the use of detergents is something terrific. By detergents I mean these chemicals that are used as a substitute for soap. My wife hardly uses soap any more. She is disloyal to the meat packers. She uses these new chemicals that are very popular for dishwashing, and so on. They say they hurt their hands less. I don't know the facts about that, but in any event the use of detergents is terrific and does not show up in these figures.

You naturally ask the question: Why is it that the price is so much more demoralized than the figures would seem to justify? Well, I think that that is a very large part of the answer. But, no matter what causes this demoralization, why should the export controls be strictly limited, very strictly limited, at a time when there is a demoralization of the whole domestic situation? And when General Clay is pleading for more?

Now, the President says he wants to help rebuild these other countries in every way possible. General Clay wants the Germans to have some of our surplus fats. Why should he not have them until the point is reached where there is something like a tightening of the domestic supply?

I hate to say it, but the administrative discretion in this matter is not being intelligently or fairly exercised, and I do not think it is primarily Mr. Sawyer's fault. I think he rubber stamps with his approval nearly every one of these requests that go to him. I am speaking now about the agricultural commodities because I believe he leaves those to Mr. Brannan, as perhaps he should. But we cannot get by the Department of Agriculture. That is where our trouble is.

The CHAIRMAN. Where have the exports gone? What has been the destination of the exports?

Mr. LA ROE. I saw the other day a very wide list. It is primarily, of course, to South American countries. Cuba takes an awful lot, as well as some of the European countries.

The CHAIRMAN. What European countries?

Mr. LA ROE. France, some small amount to Germany; England takes quite a bit.

The CHAIRMAN. None of the satellite countries of Russia?

Mr. LA ROE. Oh, no; the satellite countries do not get any. The satellite countries should not get a pound of it, in my opinion, and under our proposal they would not get a pound.

We say that the authority to export should be limited to the Marshall plan countries and the countries of the Western Hemisphere.

The CHAIRMAN. Do you not think that the destination controls should continue?

Mr. LA ROE. Oh, yes; by all means. I would not suggest anything different for a minute. I think there would be a danger in not continuing those controls.

The CHAIRMAN. Fats and oils are essential for the defense of those nations, are they not? Explosives are made from them, are they not?

Mr. LA ROE. Yes, to some extent.

The CHAIRMAN. And they are very essential to the defense of those countries. They certainly should not get into the hands of any potential enemies; do you not agree with that?

Mr. LA ROE. Well, of course that is an ECA problem that applies to almost everything and is not limited to fats and oils. But I would say that whoever administers the export controls of fats and oils in the United States ought to be duly careful that they do not get behind the "iron curtain."

That is true of all things of a military character.

The CHAIRMAN. There is a provision in the law that it should be administered for our national security.

Mr. LA ROE. Yes. Nobody is stronger for national security than I am.

The CHAIRMAN. And for our foreign relations.

Mr. LA ROE. There is nobody stronger for national security than I, and I put it ahead of the interests of my own clients.

The CHAIRMAN. We do not want some of the things to happen again that happened before some of the other wars, when we shipped materials to countries to make them strong while they were on the verge of war with us.

Mr. LA ROE. I can only say "Amen" to that.

The CHAIRMAN. If fats and oils are useful as a means of national defense in those countries, or aggression, they should be kept away from them.

Mr. LA ROE. I still fully agree with you, Mr. Chairman.

The CHAIRMAN. The Commerce Department issued an order decontroling inedible fats and oils; is that not so?

Mr. LA ROE. I learned of that for the first time this morning, sir.

The CHAIRMAN. What are those fats and oils—the inedibles?

Mr. LA ROE. Well, I have a similar study of inedibles that I can give you, if you are interested. They are listed by the Department of Agriculture under the heading "Inedibles" and they read as follows: Tallow and grease, linseed oil, tung oil, fish oil. And, as to imports, they include palm oil, coconut oil, castor oil—at least, that is not pleasantly edible——

The CHAIRMAN. I believe the list already is in the record. You do not advocate the entire decontrol of all edible fats and oils; do you?

Mr. LA ROE. We ask for the decontrol only to those countries which are not behind the "iron curtain." We do not see, for example, why we cannot ship freely to Cuba and South America and to the European countries. They have decontrolled already the inedibles, and we want the same thing done as to the edibles.

The CHAIRMAN. What effect does the exportation of your product have on the domestic price?

Mr. LA ROE. Well, I can only answer that in academic terms, because the exports have been so small in quantity that we cannot give a very intelligent answer. I would say frankly to you that anything that can be exported tends to increase the domestic price and thus to improve our bad loss situation which we are facing today.

The CHAIRMAN. But, if there remain sufficient products within the United States to meet the demand in full, the export of the excess would have only a psychological effect on the price; is that not true?

Mr. LA ROE. I think that is largely true. And we would not ask for this power to export up to a point where the domestic supply becomes critically short. We are before you today because of a tragic situation—a situation which is demoralized, and we cannot make the Department of Agriculture see it.

The CHAIRMAN. Mr. Brown.

Mr. BROWN. I have no questions.

The CHAIRMAN. Mr. Talle.

Mr. TALLE. Thank you, Mr. Chairman.

I am not sure that this is the time to do it, but I would like to have inserted in the record at this point the figures from two reports issued by the Secretary of Commerce.

Let me say, the report for the first quarter of 1948 shows the total value (dollar value) of exports of fats and oils to be $38,256,000.

Now, trurning to the next report, called the Fifth Report, I find similar data for the second quarter of 1948. There the total dollar value of exports of fats and oils is down to $18,848,000.

Mr. LA ROE. That is probably caused by those bad estimates they made as to the domestic supply. I recall one hearing where they admitted a mistake of 60,000,000 pounds in their estimate. Well, that is much more than the difference you have mentioned.

Mr. TALLE. Well, these are dollar values.

Mr. LA ROE. Oh, yes. These are dollars and not pounds. That is right.

Mr. TALLE. Dollar values of exports made in successive quarters, for the first half of 1948.

Mr. LA ROE. Yes, sir.

Mr. TALLE. Now, that is a drop, in the second quarter figures as against the first quarter figures, of more than 50 percent.

Mr. LA ROE. Well, in fairness to the Government, I do not think that a quarterly comparison like that is as helpful as an annual comparison, because this economic situation does change somewhat from quarter to quarter.

It was brought out this morning that the big months in this business are from October until March, and less so beyond; although that is not so true of our part of it, because the slaughter of animals continues pretty lively through the year.

Mr. TALLE. I will ask the clerk of the committee to communicate with the Departments of Commerce and Agriculture for whatever explanation they may choose to make.

Now, you point out in your statement that on the 29th of last November, General Lucius Clay complained of not getting fats and oils. Perhaps this thing has become progressively worse, so far as the exports are concerned. At any rate, I would like to have an explanation. There may be a very good one.

Mr. LA ROE. Well, look at the third quarter of last year, in answer to your question, taking the edible fats and oils—a production of 1,200,000,000——

Mr. TALLE. That is pounds?

Mr. LA ROE. Pounds; yes, sir, and an export of 69,000,000 pounds, way less than 100,000,000 pounds.

Mr. TALLE. Yes.

Mr. LA ROE. So that they have just been opening the door a crack at a time when the whole industry is demoralized.

Mr. TALLE. That is the sort of thing that distrubs me. Much of the testimony so far has left me in a quandary, as far as understanding this thing is concerned.

That is all, Mr. Chairman.

The CHAIRMAN. Mr. Buchanan.

Mr. BUCHANAN. No questions.

The CHAIRMAN. Mr. Deane.

Mr. DEANE. May I ask, Mr. La Roe, how many members do you have in your association?

Mr. LA ROE. I think it is around 700. Between seven and eight hundred.

Mr. DEANE. What percentage do those members represent of the total production of these commodities in the meat-packing industry?

Mr. LA ROE. I sought that figure myself, and anything I would give you would not be too good; but the best estimate I can give you is between 40 and 50 percent, perhaps.

Mr. DEANE. What factors do you think entered into a misjudging, by the Department of Agriculture, of their estimates as indicated in your statement.

Mr. LA ROE. I can only be concrete in my reply to you as to one factor. Of course, I do not know what actuates their judgment. All I can do is to give you my criticism of their judgment. I think that they have underestimated the influence of the detergents. I think that they have been inclined to be governed solely by cold figures instead of the reality.

In other words, a figure of so many pounds on a blackboard means more to them than the fact that the industry is demoralized.

I do not know how to answer it any better than that because they do not tell us, you understand, what their criteria are. They will say that they try to keep the domestic supply from being depleted.

Mr. DEANE. Did your organization attempt to make any estimate?

Mr. LA ROE. Can we make any estimate of what?

Mr. DEANE. I repeat, did your association make any estimate about this particular time when they overestimated? What was your opinion before this estimate came out?

Mr. LA ROE. Oh, yes; we always match our estimates against theirs.

Mr. DEANE. What was your estimate at that time?

Mr. LA ROE. Well, now, I recall a meeting in November where our estimate, if I remember correctly—they had one figure of estimate of 406,000,000 pounds; our representative estimated 476,000,000 pounds, and the correct figure turned out to be 500,000,000 pounds. In other words, we were too low; and they were 100,000,000 pounds too low.

Mr. DEANE. Speaking about detergents, what new uses is your organization attempting to encourage, domestically speaking?

Mr. LA ROE. We have taken that up within the past few days with the Government and with others in the hope of finding new uses for our lard. Some of our members are already experimenting with that, and one has been rather successful. I assume that you are familiar with the progress that has been made by certain cooking commodities that are popular with the housewife and which, to some extent, have supplanted lard.

One of our members has found a way of treating lard in such a way as to make it the equivalent of some of these other commodities, and we are experimenting with those.

Mr. DEANE. Do you not think that that is going to be one of the beneficial results of your program? The fact that people are switching from your product, while cause for concern, you cannot expect the committee to control the thinking of the housewife who prefers a better product?

Mr. LA ROE. I cannot answer you on that. I think you are right about that.

Mr. DEANE. You further indicated, in your statement, certain prices. What do you think would be a fair, average, reasonable price?

Mr. LA ROE. What would be a fair average price from my point of view?

Mr. DEANE. Yes.

Mr. LA ROE. Conventionally, in the industry, they have always figured on taking the live hog as it stands; and, if that live hog is worth 20 cents, they figured that, since they have to pay 20 cents for the lard, they should get 20 cents as a minimum for that lard. That is a rough yardstick; and, as someone stated just before the meeting here today, it is not altogether a reliable yardstick, because the hog is broken up into meat and sold as meat. But whatever we do not get for the lard we have to get for the meat.

Mr. DEANE. You indicated near the close of your statement that controls should be eliminated and if it became necessary to reimpose them they could be reimposed. That, of course, is always a difficult proposition. The chances are you would oppose such a move, even if there was a need for them.

Mr. LA ROE. I will have to be frank and admit that I am here for a selfish reason. I do not think that I would be so selfish as to hurt the Nation, if there was a real shortage of this commodity, to come here and oppose it, because it would not be patriotic to do that. I would oppose it if it were based merely on these figures which do not mean anything and if the price situation were as demoralized as it is now.

Mr. DEANE. That is all, Mr. Chairman.

The CHAIRMAN. Mr. Cole.

Mr. COLE. Do I understand your primary complaint is due to the failure of administration of this program?

Mr. LA ROE. I think that is a fair statement. It just has not worked. In other words, Mr. Congressman, I do not think when you passed this law that you expected the power to be used in such a way as to cause a demoralization of the industry, and that is what has happened. I would not say that that has been the sole cause of our trouble.

As just suggested, we have had plenty of other causes; but I do not think you expected the exports to be strictly policed at a time of domestic demoralization.

Mr. COLE. Is it your idea that the administration of the program has been directed primarly at price control?

Mr. LA ROE. It has had that effect. I do not think it would be fair to say that that has been the aim, but that has been the effect.

Mr. COLE. Has it had any effect in the stabilization of our foreign-aid program, as far as you know?

Mr. LA ROE. It has had the opposite effect because, both from President Truman's point of view (if I understand it) and General Clay's point of view——

Mr. COLE. May I interrupt you; you are speaking now only and solely with respect to edible fats and oils?

Mr. LA ROE. That is all.

Mr. COLE. Thank you.

Mr. LA ROE. From their point of view, it is desirable that these things should be, to the extent that we can spare them from our economy, used to help build up Germany and the other nations—our part of Germany, that is—and when General Clay pleads for allocations, he says he cannot get them. When we plead for them, we cannot get them. Where is the trouble? The trouble is in the Fats and Oils Branch of the Department of Agriculture.

Mr. COLE. And it is your judgment that it is working exactly contrary to that purpose?

Mr. LA ROE. Exactly.

Mr. COLE. Now, for the purpose of assisting us in stock piling or preparing our own defense, what is your opinion in connection with the operation of the program?

Mr. LA ROE. Well, I am a strong believer in stock piling to the extent that stock piling is necessary. But this thing is not primarily a military matter any more because you can make glycerine out of petroleum, and so far as stock piling of food is concerned, there is no great urgency for that from a security point of view.

Mr. COLE. Is it your judgment, then, that the program is not necessary for security purposes?

Mr. LA ROE. So far as these commodities are concerned, and until there has been a domestic tightening of the supply, my answer is "Yes"; there is no need.

Mr. COLE. Then it is your opinion that the only need, if any, for the program is for domestic price control; is that correct?

Mr. LA ROE. I do not think that that need exists, because how can there be need for domestic price control when the prices are far below the price of the lard when it is in the live hog? Perhaps you are intending to ask me what purpose can there be.

Mr. COLE. That was my next question.

Mr. LA ROE. What purpose can there be other than that?

Mr. COLE. Yes, sir.

Mr. LA ROE. My answer to that question is, I do not know.

Mr. COLE. That is all. Thank you.

The CHAIRMAN. Mr. Multer.

Mr. MULTER. Mr. La Roe, at what price is lard being offered for export today?

Mr. LA ROE. The general world market is around, roughly, 20 cents, unless I am mistaken, and we cannot get that price, of course. We are selling for 12 or 13 cents.

Now, as to what price we can get when we do export, I have not checked into that. I can ascertain it for you, but the exports have been so small.

Mr. MULTER. Is it being offered for export at a higher price than the domestic price?

Mr. LA ROE. I cannot answer that, but I will get the answer for you within 24 hours.

Mr. MUTLER. I would appreciate it if you would.

Mr. LA ROE. I will.

(The information referred to is as follows:)

THE NATIONAL INDEPENDENT MEAT PACKERS ASSOCIATION,
Washington 5, D. C., February 2, 1949.

HON. ABRAHAM J. MUTLER,
The House of Representatives, Washington, D. C.

DEAR MR. MUTLER: At yesterday's hearing on export control of fats and oils you asked me about the price received when lard is exported. I am informed by telegram that the export lard market is 15:5 cents to 16 cents in drums, tierces, or 37-pound tins c. a. f. New York. This makes the price somewhat higher than the domestic price in the same type of package.

Yours very truly,

WILBUR LA ROE, Jr.

The CHAIRMAN. Mr. Kilburn.

Mr. KILBURN. No questions.

The CHAIRMAN. Mrs. Woodhouse.

Mrs. WOODHOUSE. I would like to check on the figures that you gave for end stocks to see if I have them correctly. For the last quarter in 1946, 745,000,000 pounds.

Mr. LA ROE. Just a minute. Is that inedible, now?

Mrs. WOODHOUSE. These were end stocks, edibles.

Mr. LA ROE. Edibles?

Mrs. WOODHOUSE. Yes.

Mr. LA ROE. Last quarter of 1946, 745,000,000 pounds.

Mrs. WOODHOUSE. Last quarter of 1947, 755,000,000 pounds.

Mr. LA ROE. That is correct.

Mrs. WOODHOUSE. Last quarter of 1948, 658,000,000 pounds.

Mr. LA ROE. Estimated.

Mrs. WOODHOUSE. Yes. The thing that interested me was that your end stocks in 1948 are smaller than your end stocks in 1946 or 1947.

Mr. LA ROE. That is correct.

Mrs. WOODHOUSE. Now, with a smaller end stock, why is this surplus developing in 1948?

Mr. LA ROE. Because of the facts that I gave you that are not reflected in the figures, the lessening of consumer demand, the use of detergents, and those things, which are not reflected in the figures. The figures do not give a completed picture.

Mrs. WOODHOUSE. Well, then your problem is as much a problem of change in domestic consumption as an export problem.

Mr. LA ROE. Quite so, but you can understand how under those circumstances a tightening of exports would be more serious for us than it would be otherwise.

Mrs. WOODHOUSE. What is the relation of the amount of the total available edible fats exported now in relation to the amount that was exported in our last normal year before the war?

Mr. LA ROE. Dr. Coulter has those figures. In 1920, the production was around 5,000,000,000 pounds. Ten years ago, it was around 6,000,00,000 pounds. Now it is around 7,000,000,000 pounds. Now as to the percentage of exports, I do not have that, but Dr. Coulter, who is sitting here, has all of those figures and will be glad to give them to you.

Mrs. WOODHOUSE. One other question with regard to price. As you remember, when we talked before, I brought up the question of joint cost, because it does not seem to be fair to figure the cost of lard per pound as the same as to the cost of the whole hog.

Are the packers getting a fair over-all return on the hog? Because even if you separate meat and lard, you do not sell pork as pork. You sell it as pork chops and as different other items, each at a different price.

Mr. LA ROE. You are quite right about that. My clients have shared in the general prosperity. They have had a good couple of years. In fact, they had quite a good period during the war. During the last year conditions have gotten progressively worse, and right now they are anything but good. In fact, one of our best members in Iowa told me the other day that he had cut his whole slaughter down by two-thirds just as quickly as that, because he was losing $4 on every hog he slaughtered. That condition, I regret to say, is too general.

The meat prices go down and the animal prices go down so fast that we get caught in the middle. I am not arguing now for low prices on animals, because we get our little margin—and I say little because the average is less than 1 cent per pound of live animal. In other words, if we pay 20 cents for a hog, our profit is only less than 1 cent of that, and when the price is 12 cents or 25 cents, we get that margin.

Now, we would rather see the optimum point reached where the price of the animal is high enough to encourage the farmer to produce liberally, because we need volume—but not so high as it has been recently—as to discourage the public from buying, because the high prices of late have been bad for us and they are hurting us right now.

Mrs. WOODHOUSE. Have you any suggestion as to how the distribution system might be changed so that the consumer would get some benefit? Here is a man who is losing $4 on every hog, and yet the price per pound of pork chops, for example, has gone down a little, but very little.

Mr. LA ROE. I would love to answer that for you and I would love to have the answer to that question, but I am afraid it is beyond me.

Mrs. WOODHOUSE. It is really the crux of our problem.

That is all, Mr. Chairman.

The CHAIRMAN. Mr. Nicholson.

Mr. NICHOLSON. Is there any discrimination in the granting of these export licenses? How do they allocate the amounts to the different companies for export?

Mr. LA ROE. I have heard of some irregularities earlier. I cannot honestly say that there is today any discrimination that I know of as between producers.

Mr. NICHOLSON. You get your share of the export licenses?

Mr. LA ROE. Our members get their small share of whatever is allowed, but it is not enough. Now a Baltimore man called me up and said that he had applied for a large amount—I think it was nearly a half milion pounds—of lard, and they gave him about one-tenth of what he asked for.

Mr. Nicholson. That is all.

The CHAIRMAN. Mr. McKinnon.

Mr. MCKINNON. No questions.

The CHAIRMAN. Mr. O'Hara.

Mr. O'HARA. Do I understand your criticism is directed not at the sound public policy embodied in this legislation, but to its administration in this specific case?

Mr. LA ROE. We have no criticism of the policy of export control. We think that is required. Generally speaking now, in the public interest, if only to prevent these commodities from getting behind the iron curtain. In other words, our criticism is not against the policy, but against what we think is an unfortunate and unfair and in some ways unintelligible administration.

Mr. O'HARA. And how would you change that administration?

Mr. LA ROE. Take the power away and until conditions get worse, let these commodities be freely exported.

Mr. O'HARA. Would that not be doing away with the export-control system?

Mr. LA ROE. No, it would not. It would be doing exactly what they have already done, last night, as to the inedibles. Wipe the controls out until such time as they are needed. Please do not understand me as wanting the export controls released on anything that is in tight supply or critical. That is not what I am here for. I am arguing for a relinquishment of the controls only in the face of a superabundant domestic supply, and the present demoralization of the industry.

Mr. O'HARA. That is, you quarrel with the method of interpreting the facts?

Mr. LA ROE. That is right, and the administering of the statute.

Mr. O'HARA. Thank you, that is all.

The CHAIRMAN. You may stand aside, Mr. LaRoe. We are very pleased to have had your able assistance.

We will next have Mr. Liljenquist, representing the Western States Meat Packers Association.

(At this point, Mr. Brown assumed the chair.)

STATEMENT OF L. BLAINE LILJENQUIST, WASHINGTON REPRESENTATIVE, WESTERN STATES MEAT PACKERS ASSOCIATION

Mr. LILJENQUIST. Mr. Chairman and gentleman of the committee, my name is L. Blaine Liljenquist, Washington representative of the Western States Meat Packers Association, Inc.

The members of our association are known in the industry as independent meat packers as distinguished from the large national packers. There are 235 companies in the association. They are in business in the Rocky Mountain and the Pacific Coast States, and they process from 85 to 90 percent of the animal fats and oils produced in those States. The members of the association and Mr. E. F. Forbes, president and general manager, appreciate the opportunity you have extended to us to present our views on the tragic fats-and-oils situation which is causing our members so much distress.

Under the present export control law, fats and oils are one of the commodities that have been under control. Because fats and oils are an agricultural product, the United States Department of Agriculture studies the domestic and supply-and-demand situation and makes recommendations to the Department of Commerce as to the amount of the various fats and oils that should be allocated for export.

But unfortunately for the fats-and-oils producers, the export-control authorities in the Agriculture and Commerce Departments have permitted the storage stocks to accumulate in excess of domestic requirements. This policy of holding down exports and building up surpluses has in turn enabled domestic manufacturers such as the soap companies to sit quietly in the market, forcing the price of domestic fats and oils lower and lower week by week.

As a result of such a conservative policy, there is some feeling among producers that during the past year the Administration has deliberately forced down prices through the use of its export controls. At any rate, the administration of these controls by the Department of Agriculture and the Department of Commerce has been impractical and unjust for farmers, ranchers, and processors of animal fats and oils.

The failure of these Departments to approve sufficient export allocations in the past year has had the effect of throwing out of balance the historical price relationship between animal fats and oils and the cost of producing live animals. This has placed the domestic producing industry in a most serious position because present prices for fats and oils are in most instances, I understand, below the cost of production.

A year ago at this time the price of prime steamed loose lard was 27 cents per pound, but on today's market it is less than 14 cents. A farmer should not be required to see lard sell at 14 cents when the cost of producing the live animal is in the neighborhood of 21 cents a pound. Normally, lard sells for more than the selling price per pound of live hogs.

As you know, tallow and grease are used in the manufacture of soap. A year ago fancy grade inedible tallow was worth 25 cents per pound, but this week it will bring from 8 to 9 cents if you can find a buyer. These drops have been both too fast and too far.

Producers could not and cannot reduce their costs correspondingly, and the result is demoralization in the animal fats and oils industry. We are told the situation is quite similar for the producers of vegetable fats and oils.

Fats and oils producers—farmers, packer, renderers, and other processors—should not be required by Government action to suffer a loss on their fats and oils operations. Indeed, as an over-all policy, commodity prices should not go too low or we may be unable to carry our national debt of $250,000,000,000 and an annual Federal budget exceeding $40,000,000,000.

Fats and oils are not just a by-product, as many people in the past have supposed. This year, fats and oils produced from domestic materials according to estimates by the Department of Agriculture will total 10.3 billion pounds, and of this amount about one-half will be animal fats and oils, and the other half vegetable oils, such as soybean, cottonseed, and peanut oil. Fats and oils production is a big industry, representing about 10 percent of the income of farmers, and when the price of fats and oils drops 10 cents a pound, the farmers lose a billion dollars in farm income.

Production in recent years has increased most rapidly. For instance, back in 1919 we were producing inedible tallow and grease at the rate of one-half billion pounds per year. By 1934, production had risen to a billion pounds for the first time, and now we are producing at the rate of 2 billion pounds a year. Meanwhile the demand for tallow and grease is decreasing in the United States because of a new method of producing glycerine from petroleum instead of from tallow and grease, plus the ever increasing manufacture of chemical detergents, which displace soap in many fields. This cuts into the demand for tallow and grease and is adding to our surplus of these materials.

To illustrate the extent of detergent competition, I quote from the New York Journal of Commerce, issue of January 20, 1949, regarding a meeting of 1,000 chemists of the Philadelphia section of the American Chemical Society. These chemists reported that new synthetic detergents can now compete with soap powders for almost every use in both hard and soft water.

They said:

Total production of synthetics in 1948 for all uses was about 270 million pounds. In a few years consumption may reach 300 to 350 million pounds. These figures are for a 100 percent active material, and on a dilute basis will be in excess of 1 billion pounds per year. Synthetic detergents used in the household field accounted for 20 to 25 percent of all package soaps during 1947. This compares with 2 percent in 1945 and 9.5 percent in 1946.

Lard is also struggling for favor in our domestic market, but has lost much of its former position in recent years to the more popular vegetable shortenings. Thus, we are quite dependent on foreign markets in which to move our lard, and on occasion we have watched lard go to our domestic soap companies for inedible use in soap manufacturing when the export controls were too tight and domestic lard prices fell to inedible levels.

Before the war we could safely carry a larger surplus of storage stocks of fats and oils of all kinds because we could always turn to the world market with our products if we could not get a fair price from domestic buyers. Today we have no such opportunity except for restricted amounts, so when we get a surplus of only several million pounds of material we find ourselves getting into very serious trouble.

However, our surplus of animal fats and oils has been heavy for the past year. Storage stocks of inedible tallow and grease during 1948 averaged considerably over 300,000,000 pounds compared with 200,000,000 pounds which the Department of Agriculture estimates is the maximum amount needed to keep the pipe lines filled for domestic use. Bureau of Census figures revealed that there were 244,800,000 pounds of inedible tallow and grease in storage on January 1, 1948, but instead of getting an export allocation sufficient to reduce these stocks down below the 200,000,000 level, the Department of Agriculture misjudged consumption and production so that by April 1, stocks had climbed to 299,900,000 pounds.

Then the situation went from bad to worse. By July 1, stocks had soared to 323,000,000 pounds, and by August 1, to 365,000,000 pounds, while the price per pound was driven steadily downward. By October 1, the storage stocks were reduced to 324,000,000 pounds by increased exports, but the price kept tumbling just the same due to the tremendous surplus still existing. The January 1, 1949, storage stocks have not yet been released by the Census Bureau.

They had not been released when this was prepared, but the Bureau of the Census has come out now with figures. On December 31, 1948, inedible tallow and grease stocks stood at 313,000,000 pounds, compared to a figure of 200,000,000 pounds which the Department of Agriculture estimated as the maximum needed for storage stocks.

As early as last June the animal fats and oils industry was in distress and asked the Government to relax the controls. Such petitions were followed up and submitted again and again as the situation became more critical, and even now that the whole price structure has been demolished, the Government appears to be giving only token consideration to decontrol.

In that connection, we are mighty pleased with the step that was taken by the Commerce Department last night, which has decontroled most of the inedible fats and oils. That is encouraging news, but it comes so late that we do not know that it will have very much benefit at this time. If it had come when the price was around 16 or 18 cents per pound, it would have done the industry some good. But now we are not so sure that the price will firm up by very much.

Decontrol at this late date may be insufficient to correct much of the injustice that has been done. World demand for fats and oils is potentially unlimited but is greatly restricted by a shortage of dollars. Thus, we are doubtful that the higher prices in the world could long prevail in view of the amount of surplus material in this country. We have been told repeatedly in the past few weeks by various expert control officials that demand for inedible tallow and grease abroad is much reduced and that we would not gain much by the decontrol of fats and oils, particularly inedible fats and oils.

Under these circumstances we can see no need or justification to continue the export controls on animal fats and oils and we believe all fats and oils should be decontrolled by an amendment to the Export Control Act of 1949. We most earnestly hope that this committee will give its support to such an amendment.

If for any reason the committee should conclude that it is unable to decontrol a particular commodity or group of commodities by congressional action, then we ask that you give consideration to a requirement that the Government agencies place fats and oils under general license to Western Hemisphere countries and to European nations participating in the Economic Cooperation Administration, to the extent that export of fats and oils equal the imports of fats and oils during any quarter and any calendar year. One of our difficulties today is that our Government permitted imports last year to exceed exports by about 470,000,000 pounds. Domestic production in relation to the domestic demand has increased to the point where we feel the American producer is entitled to the American market or its equivalent in exports.

In closing, I would like to ask permission of the chairman to insert in the record of the committee a copy of a letter from W. S. Greathouse, president of Frye & Co., Seattle, Wash., to Secretary Brannan, and an address taken from the Congressional Record of January 27, 1949, by the Honorable Ben F. Jensen of Iowa, entitled "Our Fats and Oils Problem Can and Must be Solved." The letter from Mr. Greathouse and the material presented by Representative Jensen contain additional information which I believe should be brought to your attention in considering this matter of decontrolling fats and oils.

Mr. Brown. Do you wish to have that inserted in the record?

Mr. Liljenquist. Please.

Mr. Brown. Is there any objection.

Mr. Monroney. Is it not printed in the Congressional Record?

Mr. Brown. Yes, the address of Congressman Jensen is printed in the Congressional Record.

Mr. Multer. I think possibly we should take the letter and not the speech.

Mr. Brown. Yes. We will take the letter and not the speech, which is already in the Congressional Record. Is that sufficient?

Mr Liljenquist. Yes; I think so.

Mr. KILBURN. Mr. Chairman, the clerk might insert a reference to it at the proper place in this record, as to the page on which it is to be found in the Congressional Record.

Mr. BROWN. Yes, that may be done. The letter will be placed in the record.

(The letter referred to is as follows:)

JANUARY 21, 1949.

Subject: Export of inedible tallow and grease.

Hon. CHARES F. BRANNAN,
Secretary of Agriculture, Washington 25, D. C.

DEAR SIR: This country produced a fabulous crop of corn, grains, and feed and our people are now in the process of utilizing these feeds in the finishing of animals. The result will be among other things on abundant supply of fats and oils. We now have an oversupply. Day after day bulletins on the west coast repeat the story that soapers and others who ordinarily buy inedible tallow and grease are "out of the market."

While we are turning this great feed reservoir into animal fats and oils and while people in other countries are anxious for our surplus of such fats and oils, we are for some reason, not clear to the writer certainly, prohibiting the export of such fats and oils to the peoples who could use them and who are willing to pay for them. We are advised that Canada is pursuing a more enlightened policy and that meat packers not over 120 miles from our plant are able to realize from the inedible tallow and grease from their production considerably more per pound than we are, due to the fact that Canada permits export of the product.

Can it be that we have heard the cry from the consumer so long of high prices that we are unwilling to read the daily declining markets on hogs and cattle. The uncertainty in the fats and oils market is contributing to the uncertainty in the livestock situation.

We respectfully suggest that it is the duty of the Department of Agriculture to exert every influence toward the lifting of export controls on inedible tallow and grease so that the market may be stabilized.

Respectfully yours,

FRYE & CO.,
W. S. GREATHOUSE.

(See also article entitled "Our Fats and Oil Problem Can Be and Must Be Solved," pp. 665–668, Congressional Record, January 27, 1949.)

Mr. BROWN. Is there anything further?

Mr. LILJENQUIST. We feel, Mr. Chairman, that the administration of the export controls on fats and oils has permitted the farmers and the ranchers and the producers of fats and oils to lose millions of dollars, and we feel that, under the circumstances, it would not be unselfish or unpatriotic to ask that the committee decontrol fats and oils themselves by an amendment in the new bill which would permit the control on items other than fats and oils.

Mr. BROWN. Mr. Monroney, do you have a question?

Mr. MONRONEY. If we were to legislate decontrol on those items and found that our reserve stocks went out with a swish because we did not have any way to prevent them from doing so, would we not be making this country take a gamble in which they might find that a surplus has suddenly turned into a tremendous shortage?

Mr. LILJENQUIST. We believe, sir, that the shortage of dollars abroad, plus the increase of fats and oils production generally, is such that we will not see any drainage of our supplies.

In relation to that I would like to tell you, if I may, of a situation we had on hides just 2 years ago. We had had control on hides in effect so tight that during the last 6 months of 1946 not a single hide was permitted to be exported from this country. Notwithstanding the fact that our hides were piling up—we were getting a tremendous surplus—and during that period the price on hides dropped from 28 cents to 14 cents a pound.

It finally got so bad that a California delegation called a meeting at which they invited the export officials of the Civilian Production Administration—hides being a processed article, was considered not an agricultural product and was under the control of the CPA—and invited the Department of Commerce export officials to come over, and it was found that during the period when the export controls were kept on hides to the extent that not one single hide was permitted to go out of the country the man in charge of the policy in the CPA was a man from St. Louis, a dollar-a-year man whose salary was being paid by the International Shoe Co.

When Senator Pat McCarran found that out through his questioning of the witness, the Government's case was broken, and there was, first, a sizable surplus on hides granted for export. There had been cries that if export controls were removed on hides that the price would shoot up to perhaps 55 cents a pound, and what happened? The price did not shoot up. The demand abroad was great, potentially, but there were not dollars sufficient to move them and the price of hides moved back up above 20 cents a pound, up to 28 cents a pound, and they are still there today—which, in relation to the cost of live animals, is not an excessive price.

Mr. MONRONEY. I thought you said, though, that you wanted only about 200,000,000 pounds in reserve or in a stock pile with which to go into the next year. Is that not your testimony?

Mr. LILJENQUIST. Yes.

Mr. MONRONEY. I think that out of a total production of 7,375,000,000 pounds that is probably an insignificant amount of reserve stock. Would you not think so?

Mr. LILJENQUIST. As long as we have a control system, sir—that is inedible tallow and grease that I was speaking of, sir.

Mr. MONRONEY. I see.

Mr. LILJENQUIST. But as long as we have export controls, even a small surplus is going to hurt us because the domestic buyers of the material know that only so much can be exported and they can sit back and force the price lower and lower on the balance.

Mr. MONRONEY. The point I am making is that even the Congress, in writing in the Marshall plan, forced the reserves and stock piles in this country for the very reason that we did not want to be guilty of running this country into a shortage through overexport.

Mr. LILJENQUIST. I do not think there is any danger of that.

Mr. MONRONEY. Do you agree with the Department of Agriculture's figures to the effect that 600,000,000 pounds of all edible fats and oils would be a reasonable margin of safety?

Mr. LILJENQUIST. Yes. You need a sizable storage to meet domestic requirements.

Mr. MONRONEY. I think the problem this committee wants to solve is how to arrive at a satisfactory, safe carry-over without building up what I would call surplus above that figure. I cannot bring myself to feel that 600,000,000 pounds carry-over, if that is necessary, should be considered as surplus by the trade or anybody else.

Mr. McKINNON. Will you yield?

Mr. MONRONEY. Yes.

Mr. McKINNON. What is your annual consumption of this item that you are talking about of 600,000,000 pounds?

Mr. LILJENQUIST. The 600,000,000 pounds was all edible fats and oils.

Mr. MONRONEY. Yes. And the total production given this morning was 7,375,000,000 pounds for this year, which makes that a little less than a 10-percent carry-over or reserve—about 8 percent.

Mr. McKINNON. I wanted to know what the time lag was: How long it would take for us to consume that. In other words, I think that would give us our answer, would it not?

Mr. MONRONEY. Surely.

Mr. LILJENQUIST. I think the Department considers that we would need something in the neighborhood of 600,000,000 pounds on hand.

Mr. McKINNON. How many months' supply would that be?

Mr. LILJENQUIST. Well, the consumption for the 12 months of last year was 6,650,000,000 pounds. So that would be about 10 percent.

Mr. McKINNON. That would be about a month and a half supply.

Mr. LILJENQUIST. Yes.

Mr. McKINNON. Do you think that would be sufficient reserve if we should run into an emergency such as a war or something like that?

Mr. LILJENQUIST. Well, production in this country is so great that we can build up a lot of material very shortly, and we feel that our own people will be able to buy, and at a fair price, all the material which they need, even though the controls are taken off. We would sooner sell to our domestic consumers, if we could get a fair price. We would like our domestic people to take all of it if they will take it at a price which will keep us in business. But prices today have dropped down below the OPA prices in effect when price controls ended.

Mr. MONRONEY. That is wholesale?

Mr. LILJENQUIST. Yes.

Mr. MONRONEY What was the retail price under OPA?

Mr. LILJENQUIST. I do not know the retail price.

Mr. MONRONEY. You said 14 cents today on lard, I believe?

Mr. LILJENQUIST. Yes.

Mr. MONRONEY. What was your OPA price?

Mr. LILJENQUIST. Wholesale price?

Mr. MONRONEY. Yes.

Mr. LILJENQUIST. A little over 14 cents.

Mr. MONRONEY. But you do not know whether retail prices have fallen to that point or not?

Mr. LILJENQUIST. I do not know that.

Mr. MONRONEY. I am wondering whether some of this surplus that you are complaining about might not be eaten up if retail prices were to come down to the level of the producers' price.

Mr. LILJENQUIST. Lard is a very good buy in our domestic market. Mr. Dresler, of the Retail Meat Dealers Association, just said that lard is, in most places, below the OPA price. But our consumers in this country are not buying lard, even though lard is a much better buy. They are won over to the vegetable shortenings and we have to look to the foreign markets for our lard under present conditions.

Mr. DEANE. Will you yield?

Mr. MONRONEY. I yield.

Mr. DEANE. Are you in a serious competitive position with the larger packers?

Mr. LILJENQUIST. Very much.

Mr. DEANE. To what extent?

Mr. LILJENQUIST. Our association of independent meat packers, in the nine Western Rocky Mountain and Pacific States, are trying to maintain our percentage of the trade which we have in that area. Our competition is with the large packers who are finding the western trade more and more attractive as the population out there increases.

Mr. DEANE. But would this not be true: If controls were lifted you would be in a worse competitive position with these larger concerns?

Mr. LILJENQUIST. No. And for this reason: We, as small independents have not been in the export field, historically. We benefit indirectly from increased exports on lard if the price increases domestically.

Mr. DEANE. Prior to control, what percentage of your product was sold outside of the continental United States?

Mr. LILJENQUIST. During the 12-month period ending June 30, 1948, lard exports were 342,000,000 pounds. A year earlier they were 322,000,000 pounds, and that is as far back as I have the information with me right now about that, but I would be happy to obtain the figures for you.

Mr. DEANE. What is it now?

Mr. LILJENQUIST. Exports of lard——

Mr. DEANE. Give the same figures you gave for the previous years.

Mr. LILJENQUIST. During the 12-month period we produced 2,361,000,000 pounds of lard and we exported, of that amount, 342,000,000 pounds.

Mr. DEANE. In other words, you have not gained and you have not lost?

Mr. LILJENQUIST. I would have to get the statistics back for a number of years to be able to answer that question.

Mr. BROWN. Insert them in the record. We have two more witnesses whom we would like to hear this afternoon.

Mr. DEANE. That is all, Mr. Chairman.

Mr. BROWN. Do any other members desire to interrogate the witness?

Mr. COLE. Mr. Chairman.

Mr. BROWN. Mr. Cole.

Mr. COLE. In connection with Mr. Monroney's question and Mr. McKinnon's question about the amount of stock piling we should have on hand, I have been trying to find someone with some idea, someone who knows something about it and who could give us some idea of how much stock piling we should have on hand.

There is no testimony here, so far as I know—no evidence to help me decide whether we need 600,000 pounds or 1,000,000 pounds or 500,000 pounds. Do you know of any bureau or anyone else who has attempted to estimate the amount of surplus, so-called, that we should have here in the United States?

Mr. LILJENQUIST. I can answer that by stating that about 2 months ago the representatives of several fats-and-oils-producing organizations went out to the Pentagon to talk to the man in charge of stock piling, and we asked him if, in view of the fact that our price was falling the way it was, they would be interested in stock piling some of the fats and oils, which could be used in the manufacture of glycerin in the event of an emergency. He said "No." He stated that his interest in the fats and oils industry in this country was only to be sure that the programs which were administered by the Government did not tend to wreck the producing ability of those fats-and-oils groups; and he said that, as for as glycerin was concerned, that this new method of extracting glycerin from petroleum has decreased the importance of fats and oils as a necessary product for stock piling.

Mr. COLE. It is very easy to say that we should have 10 percent or 15 percent or 20 percent reserve; but I find no evidence so far produced—and I do not know as there will be any—showing the necessity for any percentage figure.

Mr. MONRONEY. Would you yield?

Mr. COLE. Yes.

Mr. MONRONEY. I think the testimony this morning was based on what we have normally carried over historically.

Mr. COLE. Yes, I think that would be pertinent.

Mr. MONRONEY. That would be one criterion. It would not be the only one. But 600,000,000 pounds seems to be a little less than what we carried over last year and the year before, I believe.

Mr. COLE. That is all, Mr. Chairman.

Mr. BROWN. Do any other members desire to interrogate the witness?

Mr. MCKINNON. I would like to ask one further question, Mr. Chairman.

Mr. BROWN. Mr. McKinnon.

Mr. MCKINNON. Can you tell me what would be wrong with the policy that would be based upon establishing, either historically or otherwise, a safe stock pile, and, after that stock pile is established, turning loose the controls rather than hitching the matter of release of export controls to the matter of imports?

It seems to me the safety of this country does not depend on what we import but on what we have on hand. And, after we reach that amount, then to release the materials for export. What would be wrong with a program like that?

Mr. LILJENQUIST. As I understand it, you would suggest that we determine a figure—a stock figure and a safe figure for fats and oils—and then automatically have decontrol on amounts in excess of that figure?

Mr. MCKINNON. Yes.

Mr. BROWN. If you will pardon me a minute, Mr. Clerk, the Department of Agriculture promised to give us these figures in executive session. Please be certain to notify them when we go into executive session. I think that is when these figures should be given.

Mr. MCKINNON. It is not so much, Mr. Chairman, the matter of detrmining the figure as determining the policy.

Mr. BROWN. I see. Go ahead.

At any rate Mr. Clerk, we want to get these figures in executive session. Mr. Cole is interested in the same figures.

Mr. LILJENQUIST. In answer to your question, Mr. McKinnon, our people feel that Government controls are a fine thing if they are needed. We feel that, as far as the fats and oils are concerned, the time has passed, in view of our very much increased production, and the decrease in foreign demand, when controls are needed, and we would like to see the industry given an opportunity to establish itself. Remove the controls and let us see how it works. We feel certain, in our minds, that we will not see either a drainage of supplies in this country to the point that we would be hurt, nor do we see an opportunity of selling our surplus at exorbitant prices.

We think the shortage of dollars and the demand for our material is not excessive and that controls are not needed, and a number of Government officials themselves have concurred in that thinking and they have already decontroled inedibles. Therefore we feel that decontrol should also be granted for edible fats and oils.

We also feel that this decontrol by the Government agencies themselves, since they have always been reluctant to decontrol, may not come about unless action is taken by the Congress to bring it about.

Mr. BROWN. Does any other member desire to interrogate the witness?

If not, you may be excused, Mr. Liljenquist. Thank you very much.

The next witness is Dr. Coulter. Dr. Coulter represents the National Renderers Association. Proceed, Dr. Coulter.

STATEMENT OF JOHN L. COULTER, CONSULTING ECONOMIST, ON BEHALF OF THE NATIONAL RENDERERS ASSOCIATION

Dr. COULTER. Mr. Chairman and members of the committee.

Originally, I was requested by the National Renderers Association to prepare a short statement for them and to appear in their behalf and I have done so. That was just a few days ago.

That fact came to the attention of the Association of Southern Commissioners of Agriculture—that I would be appearing in behalf of the National Renderers Association—and within the last 2 days the commissioners of agriculture, or secretaries of agriculture, of six Southern States have either wired or written in, or called by long distance, asking me to include them in the picture and to speak in their behalf inasmuch as they have studied some of the reports which I have made in the past and have found that they were in complete harmony with the analysis which I had made.

Mr. BROWN. Now you are appearing for your association and six Southern States. Name the States, please.

(The States referred to are shown in the following letter:)

ASSOCIATION, THE SOUTHERN COMMISSIONERS OF AGRICULTURE,
Washington, D. C., January 31, 1949.

Dr. J. L. COULTER,
Consulting Economist, 600 Investment Building,
Washington, D. C.

DEAR DR. COULTER: Confirming telephone conversation this afternoon with reference to the hearings before the Senate Banking and Currency Committee and the House Banking and Currency Committee to extend the export control authority, as is, until 1951.

As stated, the following Commissioners of Agriculture would like for you to appear for them and explain to said committees why the present export controls on domestic oils and fats should not be extended: J. E. McDonald, Texas; Nathan Mayo, Florida; Tom Linder, Georgia; J. Roy Jones, South Carolina; L. M. Walker, Jr., Virginia; J. B. McLaughlin, West Virginia; Math Dahl, North Dakota.

Very truly yours,

C. C. HANSON.

Dr. COULTER. Then one other, who is not from the South but happens to come from my home State—that is to say, for about 10 years I had the privilege of serving as president of the State College of Agriculture in North Dakota, and the State commissioner of agriculture of that State—a farmer up there, was a student at the college when I was president, and he learned of this and wired that he would certainly like to have me include him on the list. So, Mr. McDonald of Texas, on the South, and Mr. Mat Dahl, from North Dakota, on the North, and then the commissioners from Georgia, Florida, South Carolina, Virginia, and West Virginia asked that I include them in my representation.

Mr. BROWN. Very well.

Dr. COULTER. I may say, in introduction, that what happens to tallow and grease in all probability determines what happens to the price in the market for cottonseed oil and for peanut oil, and, incidentally, also for soybean oil and corn oil.

And, incidentally, I will say that it likewise pretty nearly determines what the price structure is going to be for lard, because while the official record of the Government, over a long period of years, has included coconut oil, palm oil, palm-kernel oil, and other as in the inedible or industrial fats and oils group, in fact there is such a tremendous amount of interchangeability that a number of these industrial oils, in practice, are edible oils.

Further in introduction, so that the rest of my short story will be clearly intelligible, I will give you an illustration: Palm oil originally was thought of as being an inedible oil, wholly and solely, and was brought in by the iron and steel industry for the tin-plate dipping treatment of tin plate.

In that industry, at a top figure, I think we have never exceeded 40,000,000 pounds a year needed in this country, and that is a tremendous industry. But imports grew larger and larger and larger, and then they had to find some use for the surplus.

It immediately moved into the soap industry, and presently, just before World War II, we found that palm oil was contributing still about 40,000,000 pounds a year to the tin-plate industry, but 140,000,000 pounds a year to the soap industry, and it was a direct substitute—identical in every particular, with no special characteristics whatever—with the inedible tallow and grease, and the price rarely fluctuated more than a tenth of a cent from the tallow and grease price.

And then we found, by 1937, just before the war situation developed, that nearly 200,000,000 pounds additional, of tung oil, was coming in. And for what? Going into the shortening and into the margarine industries and taking the place of cottonseed and peanut oil, and so palm oil, originally from the jungles of Africa—I am not speaking of palm kernel oil; that is the oil out of the kernel of the nut, but I am speaking of the palm oil which is pressed from the wild palm tree-fruits—had spread then from the iron and steel industry, 40,000,000 pounds; to the soap industry, 140,000,000 pounds; and into the shortening and other edible fields to the extent of 200,000,000 pounds. So that by 1937, our imports were over 400,000,000 pounds and when we needed it, specifically, for the tin-plate industry it was 40,000,000 pounds.

And so when you ask me, if you do, to separate the edible from the inedible or the edible from the industrial I am going to insist that I use the total figure of the two groups combined as being the only representative figure which we really dare use.

In this table I have before me I have production from domestic materials, from 1920—just at the close of World War I—for each year down to last year, and it is separated between what is called edible and what is called industrial. But, as I say to you, the figure should not be used under any circumstances in that separation because there is such a tremendous amount of interchangeability, and, as one former witness said, in 1 year during the war they were so short of fats for the soap industry, and with no market for excess lard, that a 100,000,000 pounds of lard went into the soap kettle. So that edible fats and oils frequently get into the soap kettle and palm oil and coconut oil and the rest of them get into the edible field.

May I say just one other word in introduction, so that will guide you somewhat in any discussion, if you wish, and that is that the stocks, warehouse stocks, carried over, of both groups now, both edible and inedible, on the figure furnished to me by the Department of Agriculture or the Bureau of the Census, in fact, which compiles these documents for both commerce and agriculture, furnished me the figures some days ago for November 30—1,436,000,000 pounds factory warehouse stocks. That is very different from the figure we have been talking about here of 600,000,000 pounds. 600,000,000 pounds is only stocks of those things which they classify as edible, but that did not include the coconut oil, palm oil or other oils which are used in the edible field.

Incidentally, too, Mr. Liljenquist, who just testified, observed that as of this morning the Census Bureau had released the figure for December 31, and this figure I have just given you was secured a few days ago and was for November 30. So that we have now, as of today, this figure brought down to date, and it will not have to be disclosed in executive session because today the figure was released to the world and now the industry has it also.

Mr. BROWN. Very well.

Dr. COULTER. The National Renderers Association is a nonprofit trade organization with headquarters at 945 Pennsylvania Avenue NW., Washington, D. C. This organization has a total of approximately 275 member companies scattered from the Atlantic to Pacific coasts and from the Canadian border to the Gulf of Mexico. These companies, largely single, independently operating establishments, are primarily engaged in the production of inedible tallow and grease, but have as major joint products hides and skins, protein feeds, tankage, bones, and dried blood.

This entire industry is built around the recovering of oil- and fat-bearing materials resulting from livestock industry operations. In turn, the United States is perhaps unquestionably the leading nation of the world from the standpoint of number and classes of livestock (including poultry). Many different kinds of animals are produced in great numbers in practically every one of the 3,000 counties of the United States and on most of the more than 6,000,000 farms.

Livestock of all classes are an important part of the domestic economy not only for the edible commodities they yield, such as meat, dairy and poultry products, but also because joint products such as fats and oils, hides and skins, bones and glands, etc., have a perfectly tremendous value when recovered properly. It is not within the power of those engaged in this industry to artificially restrict the number or classes of animals produced on farms, or slaughtered, or which fall from accident or disease, or to control the percentages of meat or fats and oils, or the yield of other joint products or byproducts which naturally flow from the livestock industry.

Mr. BROWN. Dr. Coulter, this morning some items were listed in the record as having been decontrolled. Are you interested in any of those items?

Dr. COULTER. Yes; very decidedly; particularly for the reason that when an item which is decontrolled, or left under control, move in long or short supply and the price moves up and down, the whole series of fats and oils moves up and down with it, and if one item is thrown out of joint, shall I say, or out of relationship with others, that will disturb or confuse the matter even more, and so far as I am concerned personally—and I will recommend to the renderers group some recommendation—I would rather see the inedible tallow and grease remain under control if the others are kept there, than to have one segment pulled out, thus increasing the confusion to the whole oils and fats market both at home and abroad.

In other words, they must all, because of the interchangeability, be treated together.

Mr. BROWN. Inedibles are out from under control now.

Dr. COULTER. Edibles are out under the decision this morning.

Mr. BROWN. That is right.

Dr. COULTER. For the period of this month until the new act is passed. But that could lead to even greater confusion as to lard and as to cottonsed oil, peanut oil, soybean oil—it is bound to—than now exists.

Mr. BROWN. Very well. Proceed.

Dr. COULTER. It is to be remembered that about half of the land in the United States is not in farms, but is waste or forest land. Furthermore, fully half of all land is primarily devoted to the production of pasture, hay, and forage crops. Most of this land is not adapted to the direct production of such human foods as cereals, grains, seeds, fruits, nuts, vegetables, vegetable fats and oils, cotton, tobacco, and other commercial crops. Such crops as are grown commercially as feed for livestock are almost universally produced in rotation with cereals and other food or fiber crops, and it has been scientifically ascertained that the original soils under cultivation would have rapidly deteriorated as a result of overcropping and exhaustion and loss from that process that would have been supplemented by wind and water erosion, had it not been for the livestock economy. In other words, the livestock industry is the sine qua non for the preservation of soil fertility as well as the food supplies and many other useful commodities for the human race.

The major function of members of the National Renderers Association is the production of inedible tallow and grease and animal proteins from literally billions of pounds of material which would otherwise become a sanitation and health hazard. It is a matter of record that the operations of the industry are very closely supervised and regulated by city, county, or state health authorities, and it is now a general practice that members of the industry be bonded and otherwise licensed to assure diligent performance of this special type of assignment. Moreover, were it not for existence of this industry, city, county, or State units of government would have to provide for collection and disposal of such wastes at great additional expense to the taxpayer.

In other words, this industry should not be carelessly cast aside and permitted to go to ruin because of a mistake in public policy.

While not only eliminating the possibility of extra local tax assessments by their operations, members of the association pay very large sums of money annually to farmers, ranchers, feed-lot operators, meat packers, slaughtering establishments, retail meat shops and chain stores. hotels, restaurants, institutions, military establishments, and even the homes of the Nation (through the household grease salvage program) for the privilege of collecting these oil- and fat-bearing animal materials. Payments of this nature actually have the effect of lowering the cost to consumers of such primary articles as meat, dairy, and poultry products, and also result in a somewhat increased return to the producer of the animals.

I think there is no need to consume time in discussion of the general proposition that during periods of war or other extraordinary emergencies it is a proper function of the National Government to provide such regulation of foreign trade as may be necessary in order to maintain economic stability in this country or in the world.

Section 8 of article I of the Constitution specifically provides that it shall be the duty of Congress to regulate the trade of the United States with foreign countries. We must recognize that, when any commodity of very considerable importance is in short supply, prices are almost certain to advance to undesirably high levels leading to inflation in the case of the individual commodities and influencing the entire price structure. This is in accord with the general conduct of economic affairs within the economic principles of supply and demand.

Under the American system of free, competitive, private enterprise, however, it is the generally accepted policy of the people of this country to avoid excessive Government regulation or control such as through systems of allocations and the granting of export permits or licenses, unless there is some very pressing need such as to prevent inflation and/or to guide exports into channels deemed desirable to carry out some important public policy.

Within the framework of this brief introductory statement, there may be need for the National Government to extend the present law to apply to certain important commodities which may be in short supply or which the Government may wish to direct toward certain foreign markets.

We of the National Renderers Association have not attempted to canvass this situation so far as it pertains to a wide range of other commodities. We have, however, made an extremely careful survey of the situation as it applies to all of the various commodities usually grouped together under the general classification "Vegetable, animal, and marine fats and oils," and the raw materials from which these are derived. This applies to all of the different items which are produced within the United States and likewise to the fats and oils and oil-bearing materials which are imported from other parts of the world.

All of the facts and figures available indicate perfectly clearly that this group of commodities is not in short supply in the United States. Indeed, supplies in the United States and available to the American market are so large that they now and have been accumulating in such quantity that inventories are becoming excessive and depressing the market to such an extent that domestic producers are unable to recover basic costs of production even in the most efficient plants in various branches of the fats-and-oils industries.

Since this group of commodities are not in short supply, since inventories indicate the accumulation of depressing surpluses, and since prices are far below the general price level for all other commodities and far below the normal price level for these commodities, the National Renderers Association comes before the committees of Congress at this time to urge that this entire group of fats and oils and materials from which they are derived be excluded from export controls, whatever treatment is included in the pending bill with reference to other commodities, for whatever period of time Congress may extend the present law, and without regard to the foreign areas to which exports may be directed.

It will be enough in this statement for me to call attention to the fact that on December 31, 1946, factory and warehouse stocks were officially reported to be approximately 1,266,000,000 pounds.

That is a year and a half after the close of the war when the flow of commerce had been resumed pretty generally.

By December 31, 1947, factory and warehouse stocks had increased to 1,293,000,000 pounds, an increase of substantially 30,000,000 pounds. By November 30, 1948, official reports indicated factor and warehouse stocks as having reached a total of 1,436,000,000 pounds. This is an increase of 170,000,000 pounds in a period of less than 2 years. Other witnesses have or will present more complete details on this particular phase of the subject.

Animal fats and oils of domestic origin over any considerable period of years normally provide substantially more than one-half of the total quantity of fats and oils derived from all sources and used for all purposes in the United States. It is well known that butter, lard, tallow, and grease are the major items in this group of commodities derived from the livestock industry. One-third or more of the total animal fats and oils comes within the classification of tallow and grease. Production of these items has for a number of years been in the neighborhood of 2,000,000,000 pounds annually. It is this item with which the National Renderers Association is most directly concerned. It must be added at once, however, that indirectly we are equally concerned with the situation as it pertains to all fats and oils and oil-bearing materials because of the general widespread interchangeability among the different fats and oils without regard to whether they are of foreign or domestic origin and without regard to whether they are from animal or vegetable origin, because of the extreme extent to which interchangeability in use is possible.

While the American market is not in short supply and, in fact, production plus imports are substantially beyond domestic requirements, resulting in a burdensome accumulation of factory and warehouse stocks, export allotments and permits or licenses granted for exports have been so restricted that important foreign areas have been and are being deprived of fats and oils which are greatly needed by them. Reference is particularly made to current requirements of Latin-American countries and even more importantly the requirements of the countries of western Europe included in the European recovery program.

It is believed that, if the export controls which earlier may have served a useful purpose were now eliminated from the pending bill, a very much more equitable distribution of available supplies of fats and oils and oil-bearing materials would result, and with it would come a more uniform and better stabilized price structure, especially as between western European countries, the United States, and Latin America.

An illustration of the confusion in the world market, evidently largely resulting from the export-control policies of the United States, may well be mentioned at this point. It is well known that a considerable number of extremely important American industries are dependent upon imports of special foreign types of fats or oils or oil-bearing materials for certain special technological reasons. Thus the tin- and terne-plate branch of the iron-and-steel industry finds it highly desirable to secure from foreign sources about 40 or 50 million pounds of palm oil annually.

Again, in the paint, varnish, and floor-covering, oil-paper and oil-cloth and related industries, the American market normally finds it desirable to secure in the neighborhood of 100,000,000 pounds of tung, oiticica, and other quick-drying oils to supplement or complement the very much larger volume of linseed oil produced from domestic or imported flaxseed. Again, the soap industry ordinarily finds it highly desirable to import substantially 20 percent of their fats or oils requirements in order to provide the lauric acid present in such tropical oils as those derived from copra, palm kernels, babassu, and others in that particular group. Ordinarily, this means that there is a basic American market for substantially 400 to 500 million pounds of these oils which come in the lauric-acid group. Again, the American market has become accustomed through long use or tradition to consider quantities of olive oil largely secured from Mediterranean countries, although considerable quantities are produced in the United States and other domestic oils are in large measure used interchangeably with the imported olive oil.

Altogether, it will be seen that ordinarily there is an American market for some 500 to 600 million pounds of tropical fats and oils and/or oil-bearing materials because of certain special characteristics for specific purposes. On the other hand, American producers have enjoyed an equivalent market primarily in Latin America and European countries for an equivalent quantity of fats and oils of domestic origin. Lard has been the item of greatest importance from the export point of view over a long period of years, although cottonseed, soybeans, peanuts, and corn, and/or the oils derived therefrom, hold an important place in the export market. During earlier years flaxseed, including linseed oil, held an important place in the export market, and at the present time should again be given an opportunity to find a place in the markets of Europe.

During the year 1945 (the last year of World War II), imports of fats and oils, including the oil content of imported materials, exceeded exports by only about 64,000,000 pounds. During the first full year after the war (1946), imports exceeded exports by 124,000,000 pounds. During the full year 1947, imports exceeded exports by 622,000,000 pounds, and during the first 11 months of last year (1948), imports exceeded exports by 629,000,000 pounds. Thus, while the Government of the United States continues to make allocations and to severely restrict the granting of licenses for exports or reexports of these commodities, we are drawing the needed special types of fats and oils from the world market by restricting the exports of our own surplus fats and oils to other countries which are greatly in need of these. The net result of this policy is to accumulate excessive inventories, thus depressing the price level of domestic fats and oils while at the same time depriving the world market of those items which we can very well afford to supply.

As an illustration of the result of this policy, the market quotations for imported palm oil which is especially desired by the tin and terne plate industry according to regular Journal of Commerce quotations has been within the range of 21 to 23 cents per pound. While a limited amount of that oil is especially desired by a segment of the iron and steel industry, palm oil is known to be directly interchangeable with inedible tallow and grease in the soap industry and with cottonseed and other vegetable oils in the manufacturing of important food products such as shortening and yet currently—in the Journal of Commerce, Friday, January 28—fancy tallow and choice white grease are quoted at 8¾ cents per pound while the January to March quotation for crude cottonseed oil is 13 to 14 cents per pound.

Perhaps enough has been said to give the background as a basis for our support of the urgent appeal of various farm groups that fats and oils and oil-bearing materials be eliminated from any export control measure which may be decided upon in the pending bill.

In conclusion, however, it would seem desirable to call attention to the fact that while this whole group of commodities is in surplus supply in the United States and there is no threat of excessive prices or inflation, nonetheless the countries of western Europe are especially in need of all supplies which can be made available. On the one hand, prices of domestic fats and oils are back where they were 20 years ago or under OPA price ceiling levels while costs of production have advanced on an average substantially 75 percent. On the other hand, countries of western Europe are being forced to pay much higher prices for whatever fats and oils and oil-bearing materials they are able to secure from other parts of the world. In spite of the so-called shortage of dollars at official exchange rates, it is believed that with decontrol and with restoration of fiscal and exchange stability in European countries a much more normal market would be created in all of these commodities throughout the world.

In conclusion, it should be remembered that while the population of the United States is about 145,000,000, the population of the countries of western Europe included in the Economic Cooperation Administration programs is substantially double that figure or 290,000,000. But these countries of western Europe are peculiarly deficient in domestic supplies of fats and oils, whereas the United States has demonstrated its ability to produce substantially all domestic requirements, although there are certain advantages involved in the importation of perhaps as much as 500 million or 600 million pounds of special fats and oils annually for special uses, provided American producers can at the same time be assured a reasonable export market for approximately equivalent quantities of domestic items normally produced in surplus. It is true that the Scandinavian countries (especially Norway) bring into the European market a very large quantity of whale oil from the South Atlantic and Antarctic Oceans. It is also true that the Mediterranean countries produce very substantial quantities of olive oil. On the other hand, western Europe produces practically no corn, and therefore does not have resulting quantities of fat beef cattle, dairy cattle, sheep, hogs, and poultry. Again, western Europe produces little cotton, and therefore is without the tremendous volume of cotton and cottonseed oil.

Furthermore, western Europe produces relatively small amounts of soybeans, peanuts, flaxseed, and other oil-bearing materials. Without delving into all of the details of this subject, the general conclusion may be drawn that western Europe, with double the population of the

United States, is deficient in most of the important fats and oils needed for human consumption as well as for industrial uses. They must look to the whale fisheries and the tropical countries of the world and to the United States to make up these deficiencies. On the other hand, the United States is capable of producing for export an amount of fats and oils or oil-bearing materials at least equal to quantities of various specialties which it seems advantageous to import from tropical regions.

The net result of this discussion is that it would seem to be highly desirable that legislation pending should provide for complete decontrol of fats and oils and oil-bearing materials.

Now, I would like to mention particularly one or two other things.

One is that the United States, with a population of about 145,000,000 people, produces substantially 10,000,000,000 pounds of many types of fats and oils for our own use, almost entirely. That is to say, we import more than we export.

Western Europe—just the European recovery-program countries—has a population of just double our population; that is to say, 290,-000,000 people. They are literally starving for fats and oils—not only from such correspondence or statements as General Clay has made, but from the standpoint of general information as well—while we are struggling with a surfeit of these same fats and oils.

Individual fats and oils are selling in the American market, as of today, because of our restriction on exports, as low as 8 and 8½ cents per pound, while counterparts are selling in the European markets at 21 to 24 cents a pound—three times the domestic price. And, through our administration, we are, therefore, bringing the maximum of confusion into the world market in the distribution of fats and oils.

Now, I would not advocate taking off the control if it meant an extraordinary outflow, and an extraordinary increase in price here. But I believe it would bring the prices over there and here into a coordinated relationship, and I can see no possible reason for continuing this excessive restriction.

There is just one other thing I would like to do and that is to offer a one-page table, which I compiled this morning for the record. In view of the fact that the Census Bureau has released the figure for December 31, or January 1 of this year, I am now able to place in the record these figures.

Referring only to tallow and grease, whereas it has generally been stated that a 10 percent of the 2,000,000,000 pounds normally produced and consumed would be an adequate stock pile for factory and warehouse stocks, we have had, in the United States, throughout the last year, in excess of 300,000,000 pounds in stock piles, constantly; and that reached the point on December 31, according to the Census Bureau's report released this morning, where the total is 314,000,000 pounds of factory and warehouse stocks.

No one has attempted apparently to justify a larger figure than 200,000,000 pounds. So we are suffering from that 100,000,000 pounds excess in stocks, a burden to this market, when the markets of Europe and Latin America are in distress and in need of this product. I am not in favor of decontrolling merely tallow and grease for the reasons already stated.

Thank you very much, Mr. Chairman.

Mr. BUCHANAN. Your table will be placed in the record at this point.

(The tabulation referred to is as follows:)

Stocks, factory and warehouse, reported by U. S. Census Bureau

[Thousands of pounds]

	Mar. 31	June 30	Sept. 30	Dec. 31
Inedible tallow:				
1946	169, 380	119, 869	112, 580	114, 564
1947	116, 823	117, 764	167, 567	148, 868
1948	179, 499	201, 097	201, 729	218, 347
Increase, 1946–48	10, 119	81, 228	89, 149	103, 783
Greases:				
1946	87, 323	83, 999	71, 814	58, 069
1947	57, 774	91, 590	91, 737	95, 918
1948	121, 180	122, 085	122, 688	95, 546
Increase, 1946–48	33, 857	38, 086	50, 874	37, 477
Combined stocks, tallow and greases:				
1948	300, 679	323, 182	324, 417	313, 893
Increase, 1948 over 1946	43, 976	120, 314	140, 023	141, 260

Mr. BUCHANAN. Mr. Talle, do you have any questions?

Mr. TALLE. Mr. Chairman, I merely want to say that I have listened to Dr. Coulter's scholarly statement with great interest and I have no questions.

Mr. BUCHANAN. Mr. Multer.

Mr. MULTER. No questions.

Mr. BUCHANAN. Mrs. Woodhouse?

Mrs. WOODHOUSE. No questions.

Mr. BUCHANAN. Without objection, the letter addressed to Chairman Spence, signed by Harold A. Young, president of the National Cotton Council of America, will be placed in the record at this point.

(The letter referred to is as follows:)

NATIONAL COTTON COUNCIL OF AMERICA,
Memphis, Tenn., February 1, 1949.

Hon. BRENT SPENCE,
Chairman, Banking and Currency Committee,
House of Representatives, Washington 25, D. C.

DEAR CONGRESSMAN SPENCE: On behalf of the National Cotton Council of America, representing the six primary interest groups of the cotton industry, I ask your consideration of the following views and recommendations regarding the proposed legislation H. R. 1661, the Export Control Act of 1949:

In view of the present surplus of fats and oils and the obvious demand in foreign countries, we believe specific control through allocation and individual licenses should be removed and these fats and oils should be placed under general license. We further believe the authority to determine the exportable surplus should be vested in the Department of Agriculture.

The supply of edible fats and oils is today a burdensome surplus on the domestic market and will be when the new crop comes onto the market unless large quantities are moved into export markets immediately. The production of soybean and cottonseed oil alone this season is expected to be 600,000,000 pounds above last season. Today we estimate there is a surplus of edible fats and oils available for export from February 1 to July 31 of at least 500,000,000 pounds. This surplus is reflected by the serious decline in prices. The price of crude cottonseed oil has declined from 40 cents per pound in May 1948 to 20 cents per pound in November 1948 and 13¾ cents per pound currently. The market is so influenced by the surplus that the recent export allocation of 109,000,000 pounds had absolutely no effect on price. In fact, the price has dropped since the allocation. Cottonseed prices fell from $80 a ton in November to about $50 a ton today. There were about 500,000 tons of cottonseed unsold on January 1, according to the Bureau of Census figures. There are a number of mills now refusing cottonseed because their storage is filled. Being unable to move products now on hand they are unwilling to purchase more seed. Unless this tremendous surplus is moved immediately the price of cottonseed will necessarily be depressed seriously the beginning of the new season under this past season.

The need for this oil abroad is apparent. The Under Secretary of Agriculture, Mr. Loveland, in his statement before the Senate Banking and Currency Committee stated that edible fats and oils are still in "world short supply." Secretary of Commerce Sawyer in his statement said the exports of edible oilseeds would obviously be increased by decontrol.

This export movement would be facilitated by ECA financing. The ECA tells us it has many requests for assistance in financing oil exports it has not been able to grant because allocations have not been forthcoming.

While exports of United States edible fats and oils are restricted, foreign oils are being sold for dollars on the world market for 5 to 10 cents a pound or 30 to 50 percent above the United States price. Such a spread is possible only because sufficient allocations of United States oils are not granted.

In view of these considerations we can see no reason for requiring special allocations and licenses on edible fats and oils and think they should be decontrolled immediately and as long as the surplus is determined by the Secretary of Agriculture to exist.

A great deal of the present confusion, we believe, has come about from the fact that the Department of Agriculture has insufficient authority over determining the amounts of fats and oils to be exported. We feel the Secretary of Agriculture is in the best position of anyone in the Government to know this situation and should be delegated by law to determine quantities to be exported and allocations to be granted if and when in the future it is necessary to have allocations. We believe an amendment to this effect in the bill now under discussion would strengthen the legislation and improve the efficiency and effectiveness of the program in the future.

Your consideration of these views and recommendations will be appreciated.

Sincerely yours,

HAROLD A. YOUNG, *President.*

Mr. BUCHANAN. Mr. McKinnon, do you have any questions?

Mr. McKINNON. No questions.

Mr. BUCHANAN. The committee will now adjourn until 10:30 tomorrow morning.

(Whereupon at 4:45 p. m., the committee recessed, to reconvene at 10:30 a. m., Wednesday, February 2, 1949.)

EXPORT CONTROL ACT OF 1949

WEDNESDAY, FEBRUARY 2, 1949

HOUSE OF REPRESENTATIVES,
COMMITTEE ON BANKING AND CURRENCY,
Washington, D. C.

The committee reconvened, pursuant to adjournment, at 10: 30 a. m., the Honorable Brent Spence (chairman) presiding.

Present: Messrs. Spence, Brown, Patman, Monroney, Buchanan, Multer, and Deane; Mrs. Woodhouse; Messrs. McKinnon, Addonizio, Dollinger, Mitchell, O'Hara, Talle, Kilburn, Cole, and Hull.

The CHAIRMAN. The committee will be in order.

Our first witness this morning will be Mr. Bell, Director of the Office of International Trade, Department of Commerce.

Mr. Bell.

STATEMENT OF GEORGE L. BELL, ASSOCIATE DIRECTOR, AND ACTING DIRECTOR, OFFICE OF INTERNATIONAL TRADE, DEPARTMENT OF COMMERCE

Mr. BELL. Mr. Chairman and gentlemen of the committee, I would like to read into the record a release that was given out yesterday afternoon about 4: 30 by the Department of Agriculture in connection with edible oils.

As Mr. Blaisdell has explained to the committee and as I mentioned yesterday, this subject has been under careful study since before Christmas, and an additional allocation of 109,000,000 pounds was authorized, as was mentioned yesterday and the day before. As of Monday, the Secretary of Commerce decided to allocate an additional 105,000,000 pounds. That was done after full consideration by the Inter-Agency Committee, which has been described to you.

The following announcement was made as of yesterday by the Secretary of Agriculture.

Supplemental export allocations totaling 105,000,000 pounds of edible fats and oils for the January to March quarter of 1949 was announced today by the Production and Marketing Administration of the United States Department of Agriculture. These allocations consist of 35,000,000 pounds each of cottonseed oil, soybean oil, and lard. Department officials stated that the allocations announced today have been made possible by the availability of somewhat larger supplies of edible fats and oils than had been anticipated when the first quarter 1949 allocations were determined.

Production of lard and butter has been larger than expected and domestic disappearance of edible fats and oils in general has been somewhat smaller. Specific information on domestic disappearance and January 1 stocks of edible fats and oils was made available by the Bureau of the Census on January 28.

I might interject that that was only as of last Friday and was one figure that was being awaited by the Inter-Agency Committee.

The increased availability of edible fats and oils makes it possible to meet more of the continuing needs abroad. United States production of edible fats and oils for the current crop year ending September 30, 1949, is estimated to be about 550,000,000 pounds larger, or 7 percent, than the 770,000,000 pounds produced in 1948.

Export allocations of edible fats and oils and oilseeds issued to date for the period October 1948 to March 1949, including the allocations announced today, total 729,000,000 pounds, oil eqivalent, compared with 425,000,000 pounds allocated during the corresponding period in 1947-48.

The following table shows in thousands of pounds, the distribution by countries and type of procurement of the allocations announced today—

I do not know whether you wish me to read the detail or just insert this table in the record.

The CHAIRMAN. It may be inserted in the record.

(The information referred to is as follows:)

Country	Cottonseed oil	Soybean oil	Lard	Total
Cuba	[1] 1,000	[1] 500	[1] 3,000	4,500
Bizone, Germany	[2] 5,500	[2] 8,000	[3] 13,200	26,700
Italy	[1] 6,600	[1] 6,600	[1] 6,000	19,200
Austria	[2] 6,600	[2] 6,600	[4] 4,400	17,600
French zone, Germany			[1] 2,400	2,400
Netherlands		[1] 4,400		4,400
Canada	[1] 6,600	[1] 4,400		11,000
Philippines	[1] 500			500
Uruguay	[1] 880			880
Greece	[2] 2,200			2,200
United States commercial projects abroad	[1] 400	[1] 500	[1] 1,000	1,900
Contingency	[1] 4,720	[1] 4,000	[1] 5,000	13,720
Total	35,000	35,000	35,000	105,000

[1] Commercial.
[2] Production and Marketing Administration.
[3] One-half commercial and one-half Army.
[4] Army.

Mr. BELL. Now I would like to enlarge a bit on the statements made by both Mr. Blaisdell and myself in connection with this matter of allocation of edible fats and oils for export. We would like to review briefly the past allocations to indicate that our actions have been geared to the changing situation.

In the first place, the allocations have been largest during the heavy producing season, which is October to March. However, during the first 9 months of 1948 it was necessary to hold down allocations because of the relatively small supply of oil and oil-bearing seeds, prior to the harvest in the fall of 1948.

I believe everyone familiar with the fats and oils industry remembers that that period was one of extreme shortages, even domestically, and with relatively high prices.

Following the relatively good crops of 1948, we allocated 324.9 million pounds of edible oils in the fourth quarter. This compared favorably with the exceptionally large allocation in the fourth quarter of 1947. The fourth quarter of 1948 was followed by an allocation of 195.7 million pounds for the first quarter, which was about 100,000,000 pounds larger than the first quarter of 1948.

Soon after establishment of this first amount for the first quarter allocation, the new crop report estimates indicated a substantial increase in production of lard and soybeans. As a result, 109,000,000 pounds of edible oils were added to the quarterly allocation.

With the continued depressed market conditions, we have just added 105,000,000 pounds—a 25 percent increase—to the already large allocations. This brings the total edible fats and oils allocation to 409.7 million pounds for the first quarter, which is more than four times larger than the allocation for the first quarter of 1948.

And I wish to assure the committee, or reassure the committee, that this subject is, and will continue to be, under constant review by our Inter-Agency Committee. First, usually, the figures are brought up to us by the Department of Agriculture, task groups begin working, and then there is constant review by what we call our operating committee.

And I would like to introduce here a table showing the allocations of edible fats and oils in millions of pounds, by quarters, for 1947, for 1948, and for 1949.

The CHAIRMAN. It may be inserted in the record.

(The table referred to is as follows:)

Allocations of edible fats and oils

[In millions of pounds—fat content]

Major commodities	1947					1948					1949, Jan.-Mar.
	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Total	Jan.-Mar.	Apr.-June	July-Sept.	Oct.-Dec.	Total	
Lard	129.5	47.1	88.2	69.7	334.5	37.5	44.8	55.1	94.6	232.0	137.5
Cottonseed oil	(1)	(1)	11.0	26.4	37.4	8.2	3.3	1.5	17.8	30.8	43.6
Soybean oil	27.2	11.2	47.4	68.4	154.2	7.1	14.0	7.5	30.7	59.3	54.1
Shortening and other oils	69.2	[2] 19.4	[2] 65.3	[2] 129.8	[2] 283.7	7.4	13.6	8.6	7.0	36.6	12.2
Soybeans	0	0	0	0	0	(1)	(1)	0	76.3	76.3	82.1
Shelled peanuts	0	0	0	62.5	62.5	34.8	17.6	21.8	96.1	170.3	78.3
Cottonseed	0	0	0	0	0	.3	0	0	2.4	2.7	1.8
Other	0	0	0	0	0	0	.1	1.5	0	1.6	.1
Total, edible	225.9	77.7	211.9	356.8	872.3	95.3	93.4	96.0	324.9	609.6	409.7

[1] Less than 50,000 pounds.
[2] Includes various kinds of edible oils for civilian feeding with type of oil unspecified.

Mr. BROWN. Why did you not make larger allocations during the last quarter of 1948?

Mr. BELL. Well, as the statement from the Department of Agriculture pointed out, they felt that at that time the indicated figures did not indicate that a larger amount would be required.

Mr. BROWN. The market was depressed almost as much in December as it was in January. That is something I cannot understand, why you should be so dilatory about making a larger allocation in December when you knew the facts were as they are now.

Mr. BELL. Well, as Mr. Trigg testified yesterday, it was the judgment of the Departments of Agriculture and Commerce that at that time they should not do so.

Mr. BROWN. You certainly have not made a very good case for yourself.

Mr. BELL. And the Secretary of Commerce, as I said, signed this on Monday as he did the previous additional 109,000,000 pounds.

Mr. TALLE. Mr. Chairman.

The CHAIRMAN. Mr. Talle.

Mr. TALLE. Your statement has to do with a question I raised yesterday. I was wondering why the dollar value of fats and oils exported in the first quarter of 1948 was so much greater than the dollar value of fats and oils exported in the second quarter. The second quarter dropped more than one-half according to the figures I have before me, from 38,256,000 to 18,848,000. That is a drop of $19,000,000, or more than half.

Mr. BELL. Mr. Congressman, I was not here when you raised that question. I had to go over to the Senate committee yesterday. Dr. Macy, who is the Acting Deputy Director of our Commodities Division, may be able to answer that.

Mr. MACY. Well, the allocations were dropped, as was indicated by Mr. Bell, from the fourth quarter 1947, to the first quarter 1948, and again the second quarter 1948, was low, and also the third quarter 1948, due to the condition of supply of oil prior to the harvest of the new crop in 1948—the fall of 1948.

Mr. BELL. The full first three quarters, in other words, Mr. Congressman, as I stated, covered a period when the supply situation was tight, as indicated by the prices that have been discussed here. So there was naturally a hesitancy to step up the allocations. In fact, they were cut down.

Mr. TALLE. It was the judgment, then of the export officials in the Inter-Agency Committee that the crop was going to be down.

Mr. BELL. Well, that was true of the supply situation at that time. Now when the new crop reports came in, as of September of 1948, increased-crop returns, of course, changed that picture. But, I repeat, the supply during those three quarters—the first and second quarters of 1948 as well as the third quarter—was not so easy.

Mr. TALLE. The crop reporting is continuous, is it not?

Mr. BELL. That is right, but we did not know, as indicated in the statement, until September.

Mr. MACY. In that connection, actually, the supplies of oil-bearing products were so low, prior to the harvest of cottonseed and beans in the fall of 1948, that actually before October 1 between three and four hundred million bushels of soybeans of the new crop was actually processed by October 1, which is somewhat unusual. So that there was a scarcity of those supplies before the new crop was harvested.

I might point out that the allocation in the fall quarter of 1947, as was stated here, was quite large. But much of that, of course, was shipped after the 1st of January 1948. It is not all shipped in the quarter in which an allocation is set—the licenses are granted for a 3-month period, and they can ship anytime within that 3 months. Therefore, the shipments in the first quarter of 1948 were fairly large compared to the actual allocation for the first quarter because the fourth quarter of 1947 was a fairly large allocation.

Mr. TALLE. May I ask one further question? Mr. Bell, do you consider this an illustration of satisfactory or less satisfactory estimating on the part of those who work with crop reporting?

Mr. BELL. I would say, Mr. Congressman, that the actual facts show that probably it was a wise course to follow. That until the new crop was in we might have drained off supplies, which would have had a bad effect on our own domestic economy if crop estimates had been too optimistic. Until it was certain what the harvest was to produce it seems to have been wise to have limited the amounts in the first three quarters of 1948.

Mr. TALLE. I certainly do not want to have shortages. They have been haunting us enough. Nor do I want ruinous surpluses. I have difficulty in understanding why, with this tremendous surplus on hand, the demand is still made for continuance of controls on fats and oils. I have to get more education before I can grasp the reasons for it.

Mr. BELL. I think as a nonexpert, as you were referring to that term the other day, that I could not add very much to what the Agriculture people have said on that point.

Mr. TALLE. Thank you.

The CHAIRMAN. Mr. Patman.

Mr. PATMAN. Do you believe there is a read need for further controls on fats and oils, for the export market?

Mr. BELL. Yes; we do, Mr. Congressman.

Mr. PATMAN. In view of the large surplus, how do you justify that request?

Mr. BELL. I only can say this: That we have seen the picture on supply and demand in many commodities during the last 3 years fluctuate and change so violently that we think it would not be in the interest of our own domestic economy or of the security of the United States to remove the controls. With controls, when it becomes necessary, if there is a big crop failure or unexpected demands for products such as we are now discussing, we can immediately alleviate the situation and stop undue drain.

Mr. PATMAN. In other words, you do not need at this time, and you do not see any need for it in the foreseeable future, but if the situation were to change you would want to be in a position to cope with it?

Mr. BELL. Well, I think as the Department of Agriculture representative testified yesterday, even at the present time they believe the situation should be handled by allocations, trying to keep up with events right along.

Mr. PATMAN. Personally, I do not mind granting these powers, but I certainly expect them to be used discreetly, and not abused. Last year we gave the Federal Reserve Board the power to regulate consumer credit. We did not anticipate that they would go the limit as they did during the war. Instead, they have thrown almost as drastic regulations on the purchase of automobiles, for instance, as we had during the war. The only difference is that during the war a one-third down payment was required, with the balance over a period of 15 months. The regulation which they put on, and which they claim is a lot easier and better, is one-third down and the balance in 18 months.

We have been trying to get them to extend that to at least 24 months, and they will not even listen to us. The little fellow cannot buy automobiles and they destroy character and capital. I think it is wrong and undemocratic, and yet they hang on to it. I think the more the people who administer these laws retain that kind of power and refuse to listen to reason, the harder it is going to be in the future to get the powers granted to them. I just hope that if this power is granted to you that you will use the power discreetly and not be too long about granting relief. Mr. Brown's criticism appears to me to be justified.

Why did you not permit the exportation of more of these fats and oils in December? Why wait until February 1 or 2 to do it?

Mr. Bell. Of course, it is always a matter of judgment, and the opinions of people differ on those things. But, as pointed out by the release from the Department of Agriculture on this additional amount, the actual figures as to consumption and supply were not available until last Friday, and the Department of Agriculture felt hesitant to make recommendations until they knew the exact picture, and the Secretary of Commerce shared that hesitancy.

I think the fact that in the first quarter the allocation has been more than four times the allocation of the first quarter of 1948, when the supply situation was admittedly different and short, would indicate that we are moving with events. Now, of course, at times we may not move as rapidly as some people desire.

I would like to make this observation, however: That, of course, we in Commerce, and particularly in the Office of which I am Acting Director, the Office of International Trade, are charged by the Congress to foster and promote foreign trade, and we are interested in seeing that, insofar as it is possible, without injury to our own domestic economy, that we export as much as we possibly can. Also, as Secretary Sawyer has so often said, we will welcome the day when export controls may no longer be necessary.

Mr. Patman. I cannot understand why you did not know about this surplus last fall. I think the private reporting agencies could have been given that information. I cannot understand why the Government would be so slow. We knew last September about the cotton crop. We knew how many bales were going to be produced, how many tons of seed, and so forth, and it occurs to me that it could have been determined at that time, in September or October, as to what the exact situation was.

And after determining that fact, they should have permitted the allocation for exportation of more of these fats and oils.

Mr. Bell. Of course, as this table will show, there was a tremendous jump in the allocation for the fourth quarter of 1948, equal practically to the 1947 allocation for the fourth quarter, which had been very large. Again it is a matter of judgment.

Mr. Patman. I am not criticizing anyone because I am not familiar with the picture. I presume that you use your best judgment and used the facts that you had at hand.

Mr. Macy. Actually, the 1947 fourth quarter allocation, events showed, was too high. We erred, in that particular quarter, on the high side, and that was part of the reason why the first quarter of 1948 had to be reduced to the extent that it was.

I would like to point out that the Department of Agriculture has a standing committee—I believe it is called the Industrial Advisory

Committee—which meets with the interested interagency group on the figures that are brought up to date from the census and from the crop-reporting group, and so forth. That group includes representation from the various industries interested in the fats and oils picture and their advice is taken quite seriously prior to the allocation for a quarter being made.

Mr. PATMAN. That is all, Mr. Chairman. Thank you.

The CHAIRMAN. Mr. Cole.

Mr. COLE. I think earlier the Department was requested to produce the figures on supply during the year 1947. Have those figures been presented to the committee?

Mr. MACY. I was informed by the representatives of the Department of Agriculture that those figures would probably be over here this morning. The Department of Agriculture was asked to provide the figures.

Mr. COLE. Thank you.

How important do you believe the continuation of this program is to the security of our country?

Mr. BELL. Well, as Mr. Blaisdell said in his opening testimony, we believe that aside from the supply situation, where we can protect our economy from an undue drain, that for reasons of security the extension of these controls is required. For many commodities there is definitely the determination not to let them go to countries who are not cooperating with us and who are unfriendly, for security reasons. Also the administration feels that it is absolutely necessary to have some control to meet any emergencies of the present unsettled state of world affairs.

Mr. COLE. In that connection, have you had advice from the armed services?

Mr. BELL. We have the interagency committee, sir, which regularly meets on questions of that sort, as well as on supply, in which the Military Establishment is represented, along with ECA, the Atomic Energy Commission, as well as what we call the old-line departments, State, Agriculture, Commerce, Interior, and so forth.

Mr. COLE. And has the military advised you that the continuation of export controls, for instance, on edible fats and oils is necessary for security reasons?

Mr. BELL. They are on the interagency committee and that committee has felt that we should not remove them.

Mr. COLE. The point I am trying to arrive at is this: I am wondering whether or not it was a conference around the table at which somebody said "Oh, yes, we should protect our economy and our security by continuing this program," or was there a careful examination of the facts to actually determine the necessity for this action?

Mr. BELL. There has been a constant review of the subcommittees, broken up into task groups, depending on the commodity, and those subcommittees representing all these agencies I have referred to have made careful studies of the supply and demand situation in which the security features are, of course, covered by the representatives of the Military Establishment, Atomic Energy Commission, and others.

They then make their recommendation to what we call our operating committee, which meets from two to three times a week, which reviews the situation, and if it feels that the facts are not sufficient to justify certain conclusions, it sends the matter back for further study. And when there is any disagreement with any agency at that level, it is taken to the Advisory Requirements Committee where an agenda is sent out in advance. That is the top level committee of which the Assistant Secretary of Commerce is chairman and is made up of top level people from the other agencies, and at meetings the members come in with the determined position of their respective Departments.

Mr. COLE. From your description, then, of the processes involved, it would seem to me that it has been carefully done. May I say to you, though, as a member of this committee who is interested in whether or not the program is necessary—both from the point of view of national security and our foreign policy—the presentation of the evidence, at least to me, is not good. I find no evidence other than conclusions which you present to us. You present a conclusion that in your opinion it is necessary, but actual facts, the facts upon which you base your conclusion, are not presented.

Therefore, in my own thinking, I have difficulty in arriving at the same conclusion at which you arrive, because I do not have the benefit of these facts. Yet, I am called upon to decide, and my opinion to be based upon the fact that you have merely said that it is, in your judgment, necessary. You see my difficulty.

Mr. BELL. Mr. Congressman, I can only point this out: At the end of the war, there were a great number of items—as I recall something like 4,000—that were under control. As rapidly as possible, we have made a study of these items and the number on the positive control list today is less than 400. And there is a constant review of these.

Now, there is a mass of evidence which we could assemble for you. and I could refer you to the quarterly reports that the Secretary of Commerce has made to Congress, in which a list is always given of the commodities that are still under control and a brief résumé of the reasons therefor.

Now, of course, there are voluminous facts, which are produced not only in connection with the commodities we are here discussing, but all types of commodities—steel, lumber, and all other items. As was stated the day before yesterday, as rapidly as possible we take the items off that positive control list.

We would be very happy to have you review the files of the task committees, commodity by commodity. We cannot generalize on such matters and it seems to us that we have to work on that basis. As announced the day before yesterday, for instance, it was agreed that the inedible fats and oils, for either supply or security reasons, no longer need be kept under individual license.

Mr. COLE. Of course, I know you cannot particularize, but again, using edible oils as an example, I find no reason from any evidence which has been produced heretofore, why edible oils should be controlled because of security reasons. Perhaps they should be, but I do not know.

Mr. BELL. An adequate supply, it is felt, should be kept on hand in case of any emergency, and there should be a control of the direction in which they are shipped out. As I say, I cannot really add to what the experts in the Department of Agriculture said yesterday in their view of the world situation on fats and oils.

Mr. COLE. Thank you.

The CHAIRMAN. Mr. Buchanan.

Mr. BUCHANAN. What would be the effect of lifting the ban for a 30- or 60-day period by general order?

Mr. BELL. We have tried that, though we have not deliberately done it with the idea of trying to see what would happen, but in certain instances we have taken things off the so-called positive list, and have put them on general license, which is in effect what you call a general order, and in a short time we had to return them to individual licensing. Where the change in a situation requires such reinstatement on the positive list it always means great difficulty to the trade as well as to the Government.

A year or two ago, we had flour on individual license, and it was taken off the positive list and put on general license. The situation developed in supply where we were compelled to put it back on the positive list, and for 60 or 90 days, we had a terrible headache. It caused great hardship to flour exporters. People had made contracts and commitments under the general license situation, and they had things in the pipe line, actually aboard ship, or they had commitments which they could not very well get out of, and we had to handle literally hundreds of so-called hardship cases.

The trade itself has always insisted that they would prefer that we do not go on to general license until we are quite confident that a commodity will not, in the foreseeable future, have to be put back on the positive list, because of the disruption I have referred to. That is why we developed the open-end licensing that Mr. Blaisdell referred to the other day. I do not know whether you were here at the time, Mr. Buchanan. That is so that we retain control and can at any moment step in. That has been a device which has worked out very satisfactorily, and whenever we felt we could, we have used that device.

But you can guess wrong on these things, as we have found out in the past. We had steel off at one time, and we had to put it back on. There are things that you cannot foresee. Gazing into the crystal ball is a pretty difficult task. If you have a coal strike such as we had, the picture changes overnight. That is why it is felt that in the interest of security, as well as our own domestic economy, there should be controls until the situation is eased, both securitywise and supplywise.

I might reiterate, because we feel it is one of the most important steps that we have taken during the last year, the emphasis that Mr. Blaisdell put the other day on the industry advisory committee. We have now some 44 panels on the most important commodities. Those panels are made up of representatives of manufacturing exporters or producing exporters, merchant exporters, and they are spread geographically, and they are deliberately and carefully selected as to size, whether they are small or large. We try to have equal representation.

We have large panels sometimes running to 60 or 70, and from time to time we call in selected groups from those panels so that we do not have the same 15 or 20 people in each time, because then the accusation could be made that they were taking care of their own particular interests.

We have consulted with them regularly, not only on the question of the amount of allocations and our methods of licensing when there is a great oversubscription, but we have also sought their advice on the supply situation, because as someone of you gentleman has pointed out, sometimes the private industry knows things before they come up through the complicated process of the Bureau of the Census. So we have consulted frequently with all these various industries involved on all phases of our problems.

Mr. BROWN. You stated that you took steel out from individual licensing and put it under general licensing. Is that right?

Mr. BELL. That was about 2 years or more ago.

Mr. BROWN. We never had surplus of steel, whereas in fats and oils you have a tremendous surplus.

Mr. BELL. That was immediately after VJ-day and the feeling then was for very rapid decontrol, and we felt the steel situation would take care of itself.

Mr. BROWN. I agree with you and I have always prefaced my remarks by saying that we should control exports only on scarce items. Now if you want to also control exports, when we have surpluses, then I certainly cannot agree with you.

Mr. BELL. I can only reiterate that we believe, from experience, that that surplus may be only temporary, that we can handle the situation by making more generous allocations.

The CHAIRMAN. Mr. Kilburn.

Mr. KILBURN. Mr. Bell, has your Department heard of any opposition to this bill?

Mr. BELL. The only opposition that we know of as to extension of controls, Mr. Congressman, to the best of my recollection, is as to the question of the length of the extension. We recommend 2 years from next July 1. There is a feeling in the export trade that it should be limited to 1 year so that there could be a review. I believe there is some opposition as to certain detailed provisions of the bill.

Mr. KILBURN. Has that opposition been voiced through these panels that you referred to?

Mr. BELL. That is right, and we have in addition to the panels of industry that I have referred to, an over-all National Export Advisory Committee with whom I spent the entire day about 10 days ago. We discussed fully at that time the question of extension of controls, and there was not a dissenting voice in a representative group from coast to coast, manufacturing exporters and merchant exporters, on the point that it was necessary for security reasons, if for no other, to have controls extended, although they also felt that in many items the supply situation is easier.

The only difference of opinion, and the feeling on that was general—was that a year from next July would be an adequate extension.

Mr. KILBURN. What do you think about it?

Mr. BELL. Well, as Mr. Blaisdell testified, and as Secretary Sawyer testified before the Senate committee, our feeling is that the Congress now has a review every quarter, or perhaps I should say an opportunity for review. We send up a voluminous printed report of all our operations quarter by quarter. Likewise, every year, of course, the Congress will have to pass on appropriations. We feel that with the ECA program, with the supply situation what it is in certain categories of commodities, and with, frankly, the world situation what it is, that it would be much better to make it for the longer period of time.

And you will note that in the bill it is provided that the President can at any time decide that it is not necessary to continue the administration or enforcement of the act, and that the Congress can by current resolution repeal it.

Mr. KILBURN. What is the harm in continuing it only for a year from July 1?

Mr. BELL. Well, it means going through the same process which we feel is achieved by the quarterly review and by the annual review on appropriations, and I can also assure you that, as administrator of the office, it makes a great difference in our ability to secure competent and experienced employees. We have to be most careful in our employment, as you can well appreciate, because we control literally the licensing of billions, and it is pretty hard to get men to come in for a temporary period of time of the competence that we want.

Mr. KILBURN. I cannot agree that you should keep controls on so that you can get good employees.

Mr. BELL. Well, it is provided in the bill that they can be cut off at any time.

Mr. KILBURN. If we continue it until the 1st of July and you continue with your quarterly reports, it should not be difficult to review it. If you continue it for too long, it would be pretty difficult to cut off.

Mr. BELL. Well, of course, at any time under the bill, Congress can do so by current resolution, or the President can decide it is no longer necessary.

Mr. KILBURN. It would be kind of refreshing to have a department come up here once and say "We don't want the controls continued."

Mr. BELL. We will welcome the day when we can come up and say we want no export controls. We in our office would like to get back to our constructive job of promotion of trade instead of taking much time with this regulatory function.

The CHAIRMAN. Mr. Bell, what is your opinion as to the advisability of placing the allocation of agricultural products under the Department of Agriculture by mandate of law?

Mr. BELL. Mr. Chairman, I had anticipated that question might come up in view of the discussion yesterday, and I think the best thing I can do to clarify the position of the Secretary is to read his answer to a similar question before the Senate committee on Thursday of last week. I think the question came up as to where the controls should be exercised.

Secretary Sawyer said:

In the first place, may I point out that this bill as drafted leaves with the President the decision as to where the export control will be exercised. I might say, as far as I am personally concerned, I would be glad if some other department would take it all over. It is a rather difficult and somewhat unpleasant task. We are the ones who have to say "No." And finally, I am the one who has to say "No."

The CHAIRMAN. Just thinking out loud, suppose Congress passed an amendment that as to agricultural products you would not have the veto. Would you object to that?

Secretary SAWYER. No, I would not object, but I can say this in all frankness, sir: I think in the first place, the matter should be left entirely in the hands of the President. I think it is an Executive decision. In the second place, however, I think it is desirable, and Congress, I am informed, in debates on this subject before I became Secretary of Commerce, indicated that they felt it was desirable to have the final authority of this whole matter of export controls at one point.

The CHAIRMAN. That is correct, in one Department.

Secretary SAWYER. Yes, in one department, whatever that may be—department or agencies. Because in the last analysis, the considerations which must govern a decision cuts across a great many interests.

There are times when these agencies do not all agree. That is not confined to Agriculture but to the State Department, the National Security Resources Board, the military, the Interior.

They are all represented on this committee, and somebody should be in a position to make final decision.

Congress and the President decided that that should be in the Department of Commerce. I feel that the procedure is to leave it to the President as this bill does, to decide in his judgment where he wants, or by whom he wants these controls exercised.

The CHAIRMAN. But you personally have no objection except that you believe, as events in the past have shown, that it is necessary to have it under one Department?

Secretary SAWYER. I have no objection to relieving the Department of Commerce of any of the responsibilities in connection with export licensing. I do feel quite strongly that it is desirable to have in one place the final decision on export control.

It seems to me that is a very clear-cut statement to which I could not add, nor would I attempt to interpret it.

Mr. BROWN. The Department of Agriculture people say they ought to have the say-so as to the determination of what amount we can afford to ship. That should be a responsibility on them. Then the responsibility would fall on the Department of Commerce to say what countries the materials should go to.

The CHAIRMAN. Does the Department of Agriculture agree with the view that is expressed by the Secretary of the Department of Commerce?

Mr. BELL. All I can say on that, Mr. Chairman, is that this bill as prepared changes the present law. Under the present law the complete responsibility and authority is placed in the Secretary of Commerce.

This bill was drafted, I understand, after full consultation with all the agencies affected, including the Council of Economic Advisors and the Bureau of the Budget, so I assume that it represents the administration's position, including the Department of Agriculture.

Mr. PATMAN. I would like to ask a question about the ECA funds.

Do you, in making these allocations, keep in mind the ability of the different countries to buy these products through the ECA?

Mr. BELL. We do not specifically consider the ECA as such, because the amount of money that they will grant, or the amount of authorizations to purchase they will issue, is the final decision of Mr. Hoffman alone. We have no say in that.

I can say, in reference to country allocations, we decide on world allocations, then we work out and set up country quotas. In establishing those quotas we do try to take into consideration the question as to whether or not they are going to be able to use those quotas, in other words be able to purchase them.

We are finding in more and more instances that while the need may be great, the effective demand sometimes is not so great because of the lack of dollars or purchasing power, as was pointed out yesterday in connection with some of the peanut oils and soy oils which have been allocated for the first quarter and on which applications are coming in slowly.

Up to yesterday there was 20 percent of the allocation still unapplied for.

Mr. PATMAN. That is usually due to the failure of the countries having the dollars with which to make the purchases.

Mr. BELL. That is usually the reason, at any rate, they have not come in yet. When there is a great effective demand they are immediately applied for or oversubscribed.

Mr. BROWN. 20 percent of what allocation?

Mr. BELL. Of the present allocation for this first quarter.

Mr. BROWN. You have not had any time yet. It just started 2 weeks ago.

Mr. BELL. It has 2 months to run, but usually, Mr. Congressman, within a very few days after allocation quotas are announced, we have applications in for the full quota or more.

Mr. BROWN. If you come to my office I will give you the names of people who can supply you with 300,000,000 pounds right now.

Mr. BELL. They can supply it.

Mr. BROWN. That is far-fetched. They still have 2 months to go in this quarter.

Mr. BELL. Well, it is our experience that where there is an effective demand they have come in very rapidly. I was not referring to the cottonseed oil, I was referring to other products.

Mr. PATMAN. Suppose the Department of Agriculture had the power to say how much could be exported and the Department of Agriculture under this new set-up were to tell the Secretary of Commerce that 500,000,000 pounds of cottonseed oil could safely be exported. That does not mean that even if you were to authorize it that it would actually be exported.

Mr. BELL. Very true.

Mr. PATMAN. It would depend upon the ability of the different countries to purchase it.

Mr. BELL. That is right.

Mr. PATMAN. And then after you make the allocation, as you have made the allocation here, of 105,000,000 pounds, when Mr. Hoffman and his group get hold of that, they might decide that something else is needed by these countries more than fats and oils, and permit the exportation of other articles and commodities. Is that not right?

Mr. BELL. Very true, and of course the ECA is trying to get away from the purchase of too much in the way of consumer goods by those countries, and to authorize more for capital goods for rehabilitation.

Mr. PATMAN. Such as machinery and so forth.

Mr. BELL. I think it might be a surprise to some of you gentlemen that in steel, short as it is, there has been in the fourth quarter actual undershipment on the amounts that we have issued licenses for.

We have issued licenses and they have not been able to get dollars or letters of credit with which to take up the full amount.

Mr. PATMAN. That is surprising.

Mr. BELL. In other words, there is a control being exercised that is more rigid than ours and that is shortage of dollars.

Mr. BROWN. I think it would be enlightning if you would supply for the record the amount of allocations taken up by ECA.

Mr. BELL. I think you would find that it would be small in comparison to exports otherwise.

Mr. PATMAN. That steel allocation is amazing.

Mr. BROWN. Would you do that?

Mr. BELL. I am not clear that I got your point.

Mr. BROWN. You claim that a large percentage of it is exported to satisfy the requests of ECA. I would like to know what percentage of the amount that you have exported has been taken up by ECA funds.

Mr. BELL. You mean by ECA countries?

Mr. BROWN. Yes.

Mr. BELL. Because some of these products, of course, are exported to the ECA countries which are not paid for with ECA money, but by dollars earned by those countries themselves. It is not all financed by ECA.

We can give you the figures as to what has been shipped to ECA countries.

I am somewhat doubtful as to whether we could give you an analysis as to how much of that has been paid by ECA funds.

Mr. BROWN. Well, you know yourself that a lot of people voted for the Marshall plan expecting that much money would be spent in this country, especially for our surpluses.

Mr. PATMAN. I want to ask you a few more questions about this steel. I am surprised to know that the different countries have not taken up their allocations of steel. How much was authorized and how much was taken up, over a certain period?

Mr. BELL. It varies tremendously, Mr. Patman, with the different shapes and types of steel involved. There is, of course, a tremendous demand, for instance, for sheet steel, for rods, and so forth. And in the case of some of those they manage to scrape up the money.

But even in very tight supply items, such as nails, at the last moment, although they have stated and given their requirements to us through their embassies, they find that they simply have not the exchange available.

You read in the papers this morning that Argentina has just stopped all exchange.

In the last quarter the Argentine—this is just my recollection and I can have our steel people send you a full report on this——

Mr. PATMAN. I would like to have it.

Mr. BELL. But as I recall of the over-all total of steel allocated for the Argentine for the last quarter, they were not able to take up and pay for anywhere near the full amount.

Mr. PATMAN. That is due solely to the exchange proposition?

Mr. BELL. Yes, licenses were issued for the full amount. People had orders, firm orders, from people in the Argentine, but the consignees at the other end were not able to get the exchange permits.

Mr. PATMAN. So the important question is not the fact that Agriculture says so much can safely be exported, or that Commerce authorizes the export of it, but the important question is the ability of the particular countries to which the goods have been allocated to purchase them with United States dollars.

Mr. BELL. That is right, and this whole exchange situation has changed so rapidly that I have instructed the people in my office to make a more careful analysis of the country quotas that we establish, because it is impractical and achieves no good result to allocate to a country more than it can possibly take or pay for.

Of course, we want to see the full amount shipped that is allowed. If there is some other country that can pay for more and wants more, we should see that the unapplied-for balance is turned over to such other country or countries. So we are working on that. But it is awfully hard to keep up with events, they move so swiftly.

Mr. PATMAN. Thank you.

Mr. DEANE. In the Department release I notice that the table shows the millions of pounds as distributed by countries. The first country is Cuba. Is it not true that that country today would be able to take 10 times that amount and pay in terms of dollars?

Mr. BELL. Of course this is a million pounds.

Mr. DEANE. Yes, well, two or three times that amount.

Mr. BELL. Mr. Macy can answer that, I think.

Mr. MACY. I would like to address myself to the question of lard specifically, to start with, because lard has, in the past, been——

Mr. DEANE. I would like you to consider cottonseed.

Mr. MACY. I will come back to cottonseed after that.

The lard has been by far the largest allocation of edible fats and oils to Cuba during the past, and on lard we have allocated, usually, each quarter, for a period of a couple of years, I would say, 15,000,000 pounds per quarter. That is less in the past than the Cuban Government indicated that it needed—considerably less.

In the fourth quarter of 1948, the allocation was raised by 3,000,000 pounds, making it 18,000,000 pounds instead of the usual 15,000,000 pounds.

Then in the first quarter of 1949, the allocation of lard to Cuba was increased to 25,000,000 pounds, and that allocation now, as announced yesterday, was increased by 3,000,000 pounds more. So that our lard allocation to Cuba has been increased considerably.

It might be interesting to note that the Cuban Government asked for 25,000,000 pounds. We have actually allocated there 3,000,000 pounds more than the Cuban Government indicated, through the IEFC, as their needs.

Now on cottonseed we have not allocated cottonseed to Cuba in the past. That allocation of a million pounds, is, as far as I know, the first allocation.

Mr. DEANE. What type of request do you have?

Mr. MACY. Well, due to the fact that there have not been allocations to Cuba of cottonseed oil, our applications in the office would not be large at all, because the exporters watch the allocations and apply for those commodities where there are allocations.

Therefore, the cottonseed oil applications in the office, I assume, would not be very large. They will come in after announcement of that allocation yesterday. It would be difficult to know. I assume we will get quite a large number coming in now.

Mr. DEANE. When will you have your next panel to review cottonseed-oil shortages or allocations?

Mr. MACY. Are you referring to the committee that Mr. Bell referred to?

Mr. DEANE. Yes.

Mr. MACY. We have that under discussion now, and I assume that within the next 30 days that committee will meet.

Mr. BELL. In fact I am going to ask Mr. Macy to see that they do meet, if possible, during the current month, to review this whole situation.

Mr. BROWN. Will you yield, Mr. Deane?

Mr. DEANE. Yes.

Mr. BROWN. I do not understand your philosophy when you say you cannot find purchasers abroad. If you cannot do that, why do you want to control this surplus? If our people think they can get purchasers, and you cannot find them, why do you want to control these surpluses?

Mr. BELL. Are you referring specifically to cottonseed oil?

Mr. BROWN. I am referring to all of them. You stated a while ago that you could not find purchasers enough to take it up. Now why do you want controls, if that is so?

Mr. BELL. Let me say in the first place that that has not been true of the immediate products we are discussing, namely fats and oils, but in connection with other products. This matter of not taking up full quotas has developed, I would say, in most of the instances, during the last 6 or 7 months. Further, the countries, of course, are very loathe to announce in advance that they are not going to issue exchange permits so that their own nationals do not know what the situation is going to be.

The countries, through their embassies, will give to us their estimates for a large amount that they require and need, and our analysis shows that compared with past consumption they do need them.

Then at the last moment some country decides, "We need this exchange for something else and we won't grant an exchange permit."

Mr. BROWN. Then you do not have any trouble in selling edible oils and fats?

Mr. BELL. I surmise that we will not because, as the Agriculture Department pointed out yesterday, the world shortage, they feel, is great, and they feel that many of these countries will be willing to use their exchange for edible oils and fats rather than for some other products, even steel.

Mr. BROWN. That shows you rely on the Department of Agriculture determining that. That is the reason I want the Department of Agriculture to have the authority to say how much we can afford to send across.

Mr. BELL. I do not want to interject more of their discussion about the Department of Agriculture, but I wish to reiterate what Mr. Blaisdell has said, that Agriculture always has a very active part in this thing.

It starts with the committee that they bring in, of representatives of other government agencies and private industry, and they come up with their figures. Now in the over-all, I think that Commerce has never refused to go along—that is the Secretary of Commerce—with the figures presented on any agricultural products.

Is that the case, Mr. Macy? You have been in this for 3 years now.

Mr. MACY. That is right.

Mr. BELL. There has been disagreement from time to time, but in the final analysis, I think the Secretary has never overruled in any important instances, the Department of Agriculture.

Mr. BROWN. Well, the Department of Agriculture people say they ought to have it. That is the trouble. There is too much passing of the buck and I want some definite responsibility.

The CHAIRMAN. The bill providing for voluntary agreements comes up in the House first on the calendar this afternoon, so we will not be able to proceed very much longer with this hearing this morning.

Have any other members any questions?

Mr. TALLE. Yes, Mr. Chairman.

The CHAIRMAN. Mr. Talle.

Mr. TALLE. Mr. Chairman, I should like to read into the record a telegram I received this morning from Mr. Allen B. Kline, president of the American Farm Bureau Federation:

> American Farm Bureau Federation strongly urges that extension of export allocation authority include provision delegating to the Secretary of Agriculture power to determine over-all amount of any agricultural commodity available for export under the act.

My next question, Mr. Secretary, is this: Can a clean-cut line of demarkation be drawn between edible and inedible fats and oils?

Mr. BELL. As a nonexport, I will refer that to Mr. Macy, who is an agricultural man.

Mr. MACY. It is true that there is some substitutability between the edibles and inedibles, but actually, from an angle of telling definitely—if that is your question—which commodities are now clearly on what we call general license, that is clear because we have schedule B numbers for each of the commodities, and those are clearly spelled out, as to which items were included in the decontrol that was taken on Monday.

Mr. TALLE. With the passage of time, science might develop an inedible fat or oil into an edible fat or oil.

Mr. MACY. That is a part of the substitutability. Now part of the oil-bearing crops that might be in a crude form that might be considered as inedible, can be refined for instance, and made edible, and some of those were not decontrolled under this action.

Mr. TALLE. My final question has to do with the organization of the group that makes the decisions. The President would be at the top and responsible to him would be the Secretary of Commerce. Is that right?

Mr. BELL. Correct.

Mr. TALLE. Then, below him would be the interagency committee of which the Secretary of Commerce is a member.

Mr. BELL. That is through his representative, the assistant secretary or acting assistant secretary, Mr. Blaisdell, who is chairman of that interagency committee.

Mr. TALLE. The next step down would be what? Is there a division dealing with fats and oils?

Mr. BELL. There is the over-all Advisory Requirements Committee—the interagency committee to which you have just alluded—which is represented by high-level officials.

Immediately under them is what we call the Operating Committee, made up of people who are not at such high levels that they cannot meet frequently and who do meet frequently.

Then, that is broken down into subcommittees or task forces on all the commodities under control. There is a detailed study made by these task groups, which come up with their recommendations on steel or on fats and oils or whatever the commodity may be. And they are interagency groups as well. There are representatives, in those task groups, of all interested agencies.

Mr. TALLE. And, going one step farther down, do you have a division or group which spends its time on fats and oils altogether and works at this task every day?

Mr. BELL. We have, in the Office of International Trade, our Commodities Division under which there is a branch covering fats and oils and all food products. Mr. Macy, until recently, has been chief of that branch, and he is now acting deputy director of the entire Division of Commodities.

But we have fats and oils experts in that branch who are working constantly on the oils and fats picture, not merely for export control, let me hasten to say, but for the purpose of fostering and promoting the trade in export.

Mr. TALLE. How many people are employed under you, Mr. Macy?

Mr. MACY. On all food commodities, in the Food Branch we have, as Mr. Bell has stated, both the trade promotional responsibilities and the export control responsibilities. Those people are paid, actually, out of two budgets. The total personnel at this time is 58.

Mr. BELL. That is on both those functions: trade promotion and export control.

Mr. MACY. That is right.

Mr. TALLE. They spend their time on fats and oils and other commodities?

Mr. MACY. All food commodities.

Mr. TALLE. Fifty-eight?

Mr. MACY. That is right.

Mr. TALLE. In the event that the Congress, in its wisdom, should decide to do away with export controls on fats and oils, the people employed under you and who spend their time on fats and oils now could devote their time to something else; could they not?

Mr. BELL. No. Actually, if I may answer that, if it were discontinued, we would have to immediately give leave notices to a considerable number of people, including people in the Food Branch. Just how we would divide that up in our whole office, I do not know. There is a special appropriation for export control and another appropriation for our regular office of International Trade promotional work. They are two entirely separate and different appropriations. So that all those people on the export-control pay roll in our shop would have to be terminated. Just how many that would take out of the Food Branch would be a matter for subsequent determination. We might decide that some people had showed up there so well that we would put them in promotional work and let some people go from the Minerals and Metals Branch or the Hides and Leather Branch, or what have you.

Mr. TALLE. I remember in the late fall of 1947 the then Secretary of Commerce testified, and he made something of a point about needing additional staff; that is, for his proposed comprehensive program of controls.

Mr. BELL. That is right.

Mr. TALLE. Certainly we want capable people to deal with important commodities that are in short supply. We do not want to let those people go. And I thought that perhaps if these people were relieved of this work they could be used for similar work in other fields and that better work could be done.

Mr. BELL. We would be very happy to do just that. It would mean, though, that the Congress would have to specifically give us authority under an appropriation to use them in other work. We had, about a year ago as I recall, only 125 people engaged in export-control work—which was an entirely inadequate number—and the Congress allowed us to step it up partially and finally to the point where we now have, on the export-control pay roll for the Office of International Trade, 670 people.

But if today that work were to be discontinued we would have no authority to use them on other work. The appropriation would have to be cut right off, and we would have to get along with our people who are on our other pay roll, on regular promotional work.

Mr. TALLE. But the skills they exercise in the work they are doing now are skills which could be used in other work, are they not?

Mr. BELL. Oh, very definitely. We should welcome a move, I can assure you, to make those funds available, because that is one reason, the Secretary feels, and I agree with him entirely, that we should be very happy to be rid of controls and be free to concentrate our efforts and time on what we deem to be more constructive work.

Mr. TALLE. You are not familiar with deliveries under lend-lease; are you?

Mr. BELL. No. Only in the vaguest way. I was not in the lend-lease end of operations during the war.

Mr. TALLE. I note that some deliveries were made as late as rather late in 1947. I wondered why they were continued when the President, on September 2, 1945, said: "Everything shall be cut off as of this hour."

Mr. BELL. I assume those were commitments for things which were actually in the pipe line—things that were, say, one-half or three-quarters finished; machines built to order, and things of that type. That is as I understand it. I cannot speak authoritatively.

Mr. BROWN (presiding). I might state that we have several other witnesses to be heard. We are not going to be able to get through with all of them this morning, so we will reconvene at 3 o'clock to hear those witnesses.

Go ahead, Mr. Multer.

Mr. MULTER. I do not think I can possibly finish by 12 o'clock.

Mr. BROWN. Well, let us go on as far as we can.

Mr. MULTER. Mr. Bell, you do not have available with you a list of the names and addresses and affiliations of the members making up the advisory committees or any of these panels?

Mr. BELL. I do not happen to have it with me; no.

Mr. MULTER. I would like to have you furnish to us a list of the names and addresses and affiliations of the members of your advisory committee.

Mr. BELL. Are you referring to our Committee on Requirements—the interagency committee?

Mr. MULTER. No. You referred to an advisory committee that you consult with in arriving at your allocations.

Mr. BELL. The industry committees. We shall be happy to put in the file a list of the members of all our advisory panels and committees.

Mr. MULTER. And I would like the same information with respect to these panels which represent various industries.

Mr. BELL. Very well.

(The information above referred to is as follows:)

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Earle D. McLeod, assistant to president, Arnold, Hoffman & Co., Inc., 55 Canal Street, Providence 1, R. I.

Eliott Congleton, B. T. Babbitt, Inc., 386 Fourth Avenue, New York 16, N. Y.

Arthur Smith, F. W. Bark & Co., Inc., 420 Lexington Avenue, New York 17, N. Y.

E. A. Smythe, vice president, J. Berlage Co., Inc., 10 East Fortieth Street, New York 16, N. Y.

W. G. Klein, Bunge Corp., 42 Broadway, New York 4, N. Y.

Chemical Engineering, S. D. Kirkpatrick, editor, McGraw-Hill Publishing Co., 330 West Forty-second Street, New York 18, N. Y.

Robert Taylor, editor, Chemical Industries, 522 Fifth Avenue, New York 18, N. Y.

John A. Chew, John A. Chew, Inc., 60 East Forty-second Street, New York 17, N. Y.

J. Virdone, Chemical Manufacturing Co., Inc., 21 West Street, New York 6, N. Y.

R. C. Winthrop, Jr., C. R. Coleman & Co., Inc., 50 Church Street, New York 7, N. Y.

K. B. Stuart, Manager of Sales, The Colorado Fuel & Iron Corp., Denver, Col.

E. S. Hogan, Connell Brothers Co., 19 Rector Street, New York 6, N. Y.

Wm. H. McConnell, Diamond Alkali Co., Euclid Avenue and Ninth Street, Cleveland 4, Ohio.
K. M. Wildes, Manager Alkali Sales, The Dow Chemical Co., Midland, Mich.
James W. Duff, president, Duff Chemical Company, Inc., 342 Madison Avenue, New York 17, N. Y.
Philip F. O'Brien, Elbert & Co., 2 Broadway, New York 4, N. Y.
F. A. Neuberg, president, Enco Chemical Corp., 441 Lexington Avenue, New York 17, N. Y.
Fred S. Fallek, president, Fallek Products Co., Inc., 165 Broadway, New York 6, N. Y.
Fine Chemical Co., Norman F. Revel, 156 East Forty-second Street, New York 17, N. Y.
J. H. Finney, Finney Engineering & Sales Co., 1321 City National Bank Bldg., Houston, Tex.
C. J. Kelly, vice president, Getz Bros., 231 Sansome Street, San Francisco 4, Calif.
David D. Taub, treasurer, Guggenheim International Inc., 82 Beaver Street, New York 5, N. Y.
T. J. Heavy, president, T. J. Heavy Co., 108 Church Street, New Brunswick, N. J.
R. W. Hooker, vice president and sales manager, Hooker Electrochemical Co., Niagara Falls, N. Y.
James M. Crowe, executive editor, Industrial & Engineering Chemistry, 1155 Sixteenth Street NW., Washington 6, D. C.
Lawrence Krauss, managing editor, International Trade Reporter, 1231 Twenty-fourth Street NW., Washington, D. C.
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F. X. Boylen, treasurer, Interport Associates, 510 Fifth Avenue, New York, N. Y.
Max Barnes, Journal of Commerce, Albee Building, Washington, D. C.
F. A. Lobatto, Felix Kramarsky Corp., 29 Broadway, New York, N. Y.
Clarence D. Martin, Jr., 1008 Western Avenue, Seattle 4, Wash.
E. E. Routh, vice president, Mathieson Chemical Corp., Inc., 60 East Forty-second Street, New York, N. Y.
A. J. Mello, Meyer, Lyra & Co., Inc., 227 Fulton Street, New York, N. Y.
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Louis S. Loeb, Pollak, Winters & Co., 19 Rector Street, New York, N. Y.
Louis A. Morrow, Prow Chemical Co., 118 Liberty Street, New York 6, N. Y.
Jorge Hazera, M. Rothschild & Co., Inc., 80 Broad Street, New York 4, N. Y.
B. J. Gardner, Ernst Seidelman Corp., 19 Murray Street, New York, N. Y.
Robert Siegel, president, Siegel Chemical Co., Inc., 1 Hanson Place, Brooklyn 17, N. Y.
A. P. Pederline, secretary, Soap and Detergents Manufacturers Association, 723 Fifteenth Street NW., Washington 5, D. C.
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C. George le Sueur, manager, Export Sales Department, Wyandotte Chemicals Corporation, Wyandotte, Mich.

AUTOMOTIVE STORAGE BATTERIES

Frank Prevost, export manager, Laher Spring & Tire Corp., Oakland, Calif.
W. R. Smith, president, States Batteries, Ltd., 1 Arkansas Street, San Francisco, Calif.
H. A. McConnell, Humphreys & McConnell, 444 Market Street, San Francisco, Calif.
Stewart F. Malcolm, assistant manager, Borg-Warner International Corp., 310 South Michigan Avenue, Chicago 4, Ill.
M. F. Loftus, divisional manager for automobiles, farm equipment, and industrials, Montgomery Ward & Co., Chicago 7, Ill.
Irwin A. Kuhn, export manager, Willard Storage Battery Co., 246 East One Hundred and Thirty-first Street, Cleveland 1, Ohio.
R. C. Thompson, export manager, The Electric Auto-Lite Co., Champlain and Chestnut Street, Toledo, Ohio.
S. Darshwin, vice president and treasurer, Price Battery Corp., and its affiliates, Hamburg, Pa.
A. J. Norton, export manager, Bowers Battery & Spark Plug Co., Reading, Pa.
A. A. Allman, export manager, Globe-Union, Inc., 900 East Keefe Avenue, Milwaukee, Wis.
F. M. Fairbanks, president, F. M. Fairbanks Co., Room 507, Maritime Building, Seattle, Wash.
C. E. Murrell, The Electric Storage Battery Co., Forty-third Street, New York, N. Y.
C. S. Snider, Corneliussen & Stakgold, Inc., 101 West Thirty-first Street, New York 1, N. Y.
James Burgess, Jr., Delco division, General Motors Overseas Operations, 1775 Broadway, New York, N. Y.
E. E. Eicholz, export manager, National Battery Co., 7 Dey Street, New York, N. Y.
A. E. Stark, Atlas Supply Co., 744 Broad Street, Newark, N. J.
George Younkman, Oxford Battery Co., Jersey City, N. J.
John D. Nichols, manager, International Division, Thomas A. Edison, Inc., 70 Pine Street, New York City, N. Y.
Harold E. Wibth, Firestone International Co., 1625 K Street NW., Washington, D. C.
W. W. Millikan, Goodyear Tire & Rubber Co., 1815 N Street, NW., Washington, D. C.
W. R. Blake, International B. F. Goodrich Co., 112 19th Street, NW., Wasbington, D. C.
Paul Mattix, Automobile Manufacturers Association, Transportation Building, Washington, D. C.

BICYCLE CHAIN

Charles L. Sargeant, export manager, Diamond Chain Co., Inc., 402 Kentucky Avenue, Indianapolis, Ind.
Thaulow Eastman, export representative, Smith Roller Chain Corp., 2457 Woodward Avenue, Detroit, Mich.
Whitney Chain & Mfg. Co., 237 Whitney Street, Hartford, Conn.
N. R. Clarke, president, Westfield Manufacturing Co., Westfield, Mass.
John H. Graham & Co., 105 Duane Street, New York, N. Y.
Malaya and Java Agencies, Inc., 41 East Forty-second Street, New York, N. Y.

BURLAP BAGS

J. De Roode, Acme Burlap Bag Co., Inc., 50 Central Avenue, Brooklyn 6, N. Y.
Ben Corman, American Bag & Burlay Co., 32 Arlington Street, Chelsea 50, Mass.
Phil Schatz, American Bag & Union Hide Co., Third and Harrison Streets, Oakland, Calif.
Alvin Band, American-National Bag & Burlap Co., Inc., 345 Kent Avenue, Brooklyn 11, N. Y.
L. Nemo, Atlantic Bag Co., 429 South Fifth Street, Brooklyn 11, N. Y.
T. J. Richter, T. J. Richter Bags, Inc., 413 East One Hundred and Fifty-second Street, New York 55, N. Y.

Max Cohen, Bemaco International Corp., 82 Wall Street, New York 5, N. Y.
R. Lowenstein, Burlay & Cotton Goods Export Co., 79 Wall Street, New York 5, N. Y.
Isidore Dorfman, Dorfman Bag Co., 260 Gold Street, Brooklyn 1, N. Y.
A. DeSwaan, A. DeSwaan, Inc., 37 Wall Street, New York 5, N. Y.
E. Korngold, General Bag & Burlap Co., 1617 North Second Street, Philadelphia 22, Pa.
Harold Danzinger, Monte & Co., Inc., Post Office Box 690, New Orleans 7, La.
Manny Kaye, Northeastern Bag & Burlay Co., 209 East One Hundred and Thirty-eighth Street, New York 51, N. Y.
Jos. and Phil. Schwartz, Pacific Diamond H. Bag. Co., 315 Main Street, San Francisco, Calif.
S. J. Pack, Pack Bag Co., 11 Green Lane, Brooklyn 1, N. Y.
Ralph H. Pottash, Pottash Bag Co., 343 North Fourth Street, Philadelphia 6, Pa.
John S. Robinson, Chas. T. Robinson, Inc., 107 Walnut Street, Philadelphia 6, Pa.
Samuel C. Schwartz, Chas. Schwartz & Co., Inc., 311 North Desplaines Street, Chicago 6, Ill.
Milton Hirschfield, Service Bag & Burlap Co., Inc., 914 McCarter Highway, Newark, N. J.
Wm. Tannebaum, Southern California Bag Co., 4900 Corona Avenue, Los Angeles 11, Calif.
Max Tobias, Max N. Tobias Bag Co., Inc., 2933 Jackson Avenue, New Orleans 13, La.
Lew Goodman, Western Burlap Bag Co., 1109 West Thirty-eighth Street, Chicago 9, Ill.
Louis Wildstein, Samuel Wildstein & Son, Post Office Box 45, Newark 1, N. J.
John D. Wilson, Wilson Bag & Burlap Co., Inc., 53 Pearl Street, Brooklyn 1, N. Y.
S. Mackler, Belmont Burlap Bag Co., 2719 North Edgemont Street, Philadelphia 34, Pa.
L. G. Coveney, Otis McAllister Co., 310 Sansome Street, San Francisco, Calif.
A. C. Prentice, Prentice Bros., Russ Building, San Francisco, Calif.
George Mahoney, W. R. Grace Co., 2 Pine Street, San Francisco, Calif.
Sam E. Grodsky, Missouri Bag Co., St. Louis, Mo.
Rueben Brown, Bemis Bros. Bag Co., New Orleans, La.
I. Rachmann, Knickerbocker Bag Co., Inc., 258 Johnson Avenue, Brooklyn, N. Y.
H. F. Duffy, H. A. Astlett & Co., 27 William Street, New York, N. Y.
Hays G. Shimp, Hays G. Shimp, Inc., 230 Park Avenue, New York, N. Y.
J. and P. Schwartz, Pacific Diamond H Bag Co., 315 Main Street, San Francisco, Calif.
Hardin Bag & Burlap Co., Inc., 1054 Constance Street, New Orleans, La.
Lone Star Bag & Bagging Co., Dumble at Calhoun, Houston, Tex.
Morgan Bros., Belleville and Moore Street, Richmond, Va.
Mr. Francis H. Ludington, president, Chase Bag Co., 155 East Forty-fourth Street, New York, N. Y.
Mr. N. E. Elsas, president, Fultin Bag & Cotton Mills, 170 Boulevard, SE., Atlanta, Ga.
Mr. G. C. Halsted, E. S. Halsted & Co., 64 Pearl Street, New York, N. Y.
Mr. J. Werthan, Werthan Bag Corp., 1400 Eighth Avenue North, Nashville, Tenn.
Mr. T. W. Little, Bemis Brothers Bag Co., 40 Central Street, Boston 5, Mass.
Mr. August Hare, vice president, Buna-Moore, 40 Worth Street, New York, N. Y.

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David M. Houston, director, export department, Hercules Powder Co., Inc., Wilmington, Del.
J. R. M. Jones, Jr., Connell Bros., 334 California Street, San Francisco, Calif.
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A. R. Knight, manager, Euston Lead Co., Scranton 3, Pa.
Edward G. Ladewig, assistant vice president-director, International Corp., Bristol Myers & Co., 630 Fifth Avenue, New York 20, N. Y.
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C. A. Richards, director, export department, Interchemical Corp., 350 Fifth Avenue, New York, N. Y.
Dr. T. H. Roberts, Arnold, Hoffman & Co., Providence, R. I.
B. H. Sampson, Tower Business Associates, Transit Tower, San Antonio, Tex.
A. T. Schildge, president, Transmares Corp., 15 William Street, New York, N. Y.
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Albert B. Van Liew, vice president, the Martin Dennis Co., 859 Summer Avenue, Newark 4, N. J.
R. L. Wilson, secretary and general sales manager, Michigan Chemical Corp., St. Louis, Mich.

CHROMIC ACID

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Irving Glass, executive vice president, Tanners' Council, 100 Gold Street, New York, N. Y.
Harshaw Chemical Co., Cleveland, Ohio.
T. J. Heafy, president, T. J. Heafy & Co., 108 Church Street, New Brunswick, N. J.
Webster B. Knight, Knight Plating Co., 3145 Bellevue Street, Detroit 7, Mich.
H. Koster, treasurer, Mercantile Metal & Ore Corp., 60 Wall Street, New York 5, N. Y.
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George Uhe Co., Inc., 75 Eighth Avenue, New York, N. Y.
S. W. White, Jr., secretary, Mutual Chemical Co., 270 Madison Avenue, New York 16, N.Y.
Robert C. Winthrop, assistant export manager, C. R. Coleman & Co., 50 Church Street, New York, N. Y.

COAL

W. E. Henry, W. C. Atwater & Co., Rockefeller Center, New York, N. Y.
G. E. Cameron, Berwind-White Coal Mining Co., 1 Broadway, New York, N. Y.
W. H. Naylor, Davis-Clinchfield Coal Corp., 554 Washington Building, Washington, D. C.
Walter J. Ott, Delta Export Co., 921 Seventeenth Street NW., Washington, D. C.
H. F. Willfuehr, Dexter-Carpenter Coal Co., 32 Broadway, New York, N. Y.
S. S. M. DuBois, Firecreek Coal Co., 19 Rector Street, New York, N. Y.
S. P. Hutchinson, Jr., General Coal Co., 123 Broad Street, Philadelphia, Pa.
C. Wharton Brown, Hendley & Co., 701 Garrett Building, Baltimore, Md.
Everett B. Horgan, Horgan Fuel Corp., 500 Fifth Avenue, New York, N. Y.
Carlos J. Routh, Routh Coal Corp., 420 Lexington Avenue, New York, N. Y.
Seneca Coal & Iron Corp., A. F. Kemp, 90 West Street, New York, N. Y.
H. B. Holland, C. H. Sprague & Son Co., 17 Battery Place, New York, N. Y.

COPPER

F. C. Jones, president, Okonite Co., Passaic, N. J.
A. D. R. Frazor, president, Rome Cable Corp., Rome, N. Y.
D. R. G. Palmer, president, General Cable Co., 420 Lexington Avenue, New York, N. Y.
D. F. Eliot, Western Electric Co., 195 Broadway, New York, N. Y.
Harry Erlicker, vice president, General Electric Co., Schenectady, N. Y.
R. R. Eckert, Copper Institute, 50 Broadway, New York, N. Y.
Chester Tripp, president, Consolidated Coppermines Corp., 120 Broadway, New York, N. Y.
Maurice F. LaCroix, president, Copper Range Co., Boston, Mass.
E. R. Lovell, president, Calumet & Hecla Consolidated Copper Co., Calumet, Mich.
Sam Lewisohn, president, Adolph Lewisohn & Co., 61 Broadway, New York, N. Y.
James Douglas, secretary, Phelps Dodge Corp., 40 Wall Street, New York, N. Y.
Carl Ulrich, vice president, Kennecott Copper Co., 120 Broadway, New York, N. Y.

DAIRY PRODUCTS

F. B. Beach, manager, Michigan Producers Dairy Association, Adrian, Mich.
Fred Walker, manager, Dairyland Cooperative Creamery, Carson City, Mich.
J. H. Deems, Fairmont Creamery Co., Moorehead, Minn.
John Brandt, president, Land O' Lakes Creameries, Inc., 2201 Northeast Kenedy, Minneapolis, Minn.
E. H. Mirman, export manager, Kraft Foods Co., 40 Worth Street, New York 13, N. Y.
Frank J. Guisti, president, V. Guisti's Sons, Inc., 385 West Exchange Street, Providence, R. I.
Fred Kraft, Kraft Foods Co., 500 Peshtigo Court, Chicago 90, Ill.
W. E. Wurtz, the Borden Co., 350 Madison Avenue, New York, N. Y.
Frederic Rohner, president, Gerber & Co., 6 Harrison Street, New York, N. Y.
R. A. Waltz, Consolidated Dairy Products Co., 635 Elliott Avenue West, Seattle 99, Wash.
J. J. Ryan, General Milk Sales, Inc., 19 Rector Street, New York, N. Y.
L. A. Debow, the Nestle Co., 155 East Fourty-fourth Street, New York, N. Y.
Walter Page, Midland Cooperative Dairy Association, 500 Fifth Avenue, New York, N. Y.
J. J. Mountrey, vice president, General Milk Co., Inc., 19 Rector Street, New York, N. Y.
E. W. Hokanson, Carnation Co., Oconomowoc, Wis.
Byran Blakock, public relations manager, the Borden Co., Marshall, Tex.
H. Alvarex, export manager, Golden State Co., Ltd., 425 Battery Street, San Francisco, Calif.
R. M. Madrath, general manager, Maple Island Farm Dairies, Stillwater, Minn.
Wm. Gordon, North Star Dairy Co-op, 625 New York Building, St. Paul, Minn.
Harry Leonard, Twin City Milk Producers Association, St. Paul, Minn.
George Tolbert, M & R Dietetic Laboratories, Columbus, Ohio.
Ben C. Brown, 1332 Baronne Street, Ice Cream Co., New Orleans, La.
James Punderson, general manager, Rochester Dairy Co-op, Rochester, Minn.
Dan Carlson, secretary, Northwest Ice Cream Dealers Association, Wilmar, Minn.
A. A. Stickler, president, Whiting Milk Co., 40 Cambridge Street, Boston 29, Mass.
Gordon Graham, export manager, Avoset, Inc., 38 First Street, San Francisco, Calif.
Raymond Skinner, president, Forest Hill Dairy, 2040 Madison Avenue, Memphis, Tenn.
Hoyt Austin, president, Mid-South Milk Producers Association, 1497 Union Avenue, Memphis, Tenn.
L. T. Cook, president, National Casein Co., 608–618 West Eightieth Street, Chicago 20, Ill.
C. W. Dyne, American-British Chemical Supplies, Inc., 180 Madison Avenue, New York, N. Y.
E. H. Cone, Jr., manager, Dairy Products Division, Hercules Powder Co., Inc., Wilmington, Del.
Edwin Fogg, Jr., president, Land O'Sun Dairies, Inc., 101 Alton Road, Miami Beach, Fla.

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William Hendrix, county commissioner, Ada County, Boise, Idaho.
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Charles R. Allen, Charles R. Allen Co., 16 Vendue Range, Charleston, S. C.
Tom Brooks, Wisconsin Products Sales, Inc., Watertown, Wis.
B. B. Annis, president, Collierville Dairy Products Co., Collierville, Tenn.
H. P. Hood, H. P. Hood and Sons, Inc., 500 Rutherford Avenue, Boston 29, Mass.
Pete French, president, Pete French & Co., 111 Merchants Exchange Building, St. Louis 2, Mo.
Howard A. Stamper, vice president, F. M. Stamper Co., St. Louis, Mo.

DYES

E. M. Maxwell, Allied Chemical & Dye Corp., 61 Broadway, New York, N. Y.
Coleman Cohen, Allied Kid Co., 324 East Eleventh Street, Wilmington, Del.
W. J. Loeffler, American Aniline Products, Inc., 50 Union Square, New York 3, N. Y.
L. A. Schleuter, American Coke and Coal Chemicals Institute, 729 Fifteenth Street NW., Washington 5, D. C.
A. F. Clark, American Cyanamid Co., 30 Rockefeller Plaza, New York 20, N. Y.
T. H. Roberts, Arnold, Hoffman & Co., Providence 1, R. I.
Dr. Arnold Lippert, Bancroft Dyeing & Finishing Co., Wilmington, Del.
H. B. Marshall, Cincinnati Chemical Works, Inc., 165 Broadway, New York 6, N. Y.
Ambrose R. Chantler, Caesar A. Grasselli II, H. J. Swezey, Wilmington, Del.
J. L. Berston, Zinsser & Co., Inc., Hastings-on-Hudson 6, N. Y.
Andrew F. Collins, Empire Piece Dyeing & Finishing Co., 94 Madison Avenue, Paterson, N. J.
E. K. Halbach, General Dyestuff Corp., 435 Hudson Street, New York 14, N. Y.
Alfred J. Bohny, Modern Central Dyeing & Finishing Co., 132 Third Avenue, Paterson, N. J.
C. A. Funke, Nova Chemical Corp., 137–153 Waverly Place, New York 14, N. Y.
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John L. Crist, Southern Dyestuff Corp., Post-Office Box 1045, Charlotte 1, N. C.
C. A. Mace, Synthetic Organic Chemical Manufacturers Association, 41 East Forty-second Street, New York 17, N. Y.
F. L. Bume, Tennessee-Eastman Corp., Kingsport, Tenn.

FATS AND OILS

F. B. Wise, secretary, National Renderers Association, 945 Pennsylvania Avenue, Washington, D. C.
Frank A. Hunter, Jr., Hunter Packing Co., 1214 North Second Street, East St. Louis, Ill.
Leland Glazier, manager, Trans-America Commercial Co., 165 East Main Street, Mesa, Ariz.
E. C. Bisbee, president, Bisbee Linseed Co., Lincoln Liberty Building, Philadelphia, Pa.
Nester B. Betzold, general sales and advertising manufacturing, Durkee Famous Foods, 1396 Union Commerce Building, Cleveland 14, Ohio.
E. M. Bailey, A. E. Staley Manufacturing Co., Decatur, Ill.
Harry D. Armitage, Emery Industries, 233 Broadway, New York, N. Y.
Dudley T. Bloodgood, Balfour, Guthrie and Co., Ltd., 67 Wall Street, New York, N. Y.
Irving Boody, Irving R. Boody & Co., 120 Wall Street, New York N. Y.
Guy Fox, vice president, Armour & Co., Chicago, Ill.
C. T. Marsau, Rath Packing Co., Waterloo, Iowa.

Harold Tyler, manager, foreign department, Colgate-Palmolive-Peet Co., 105 Hudson Street, Jersey City, N. J.
N. N. Dalton, consultant, Association of American Soap & Glycerine Producers, Inc., New York, N. Y.
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Clifton Kroll, president, Atkins, Kroll Co., 260 California Street, San Francisco, Calif.
James Olson, vice president, George A. Hormel Co., Chicago, Ill.
Donald L. Christie, foreign sales manger, Wilson & Co., 4100 South Ashland Avenue, Chicago 9, Ill.
Dale W. Kieffer, export manager, Procter & Gamble Co., 17 Battery Place. New York. N. Y.
E. A. Gaskell, assistant sales manager, C. F. Simonin's Sons, Inc., Tioga and Belgrade Streets, Philadelphia 34, Pa.
M. W. Lyons, Southern Cotton Oil Co., 210 Baronne Street, New Orleans 12. La.
Philip S. Duff, vice president and secretary, Archer-Daniels-Midland Co., Minneapolis, Minn.
R. B. Jude, Spencer Kellogg & Sons, Inc., Post Office Box 989, Buffalo 5, N. Y.
Walter Stein, president, Willits & Co., Inc., 1 Drumm Street, San Francisco 11, Calif.
Nils Dahl, John T. Stanley Co., New York, N. Y.
Tom A. Hughston, manager, Trinity Cotton Oil Co., Division of Best Food, Inc., 701 Belview, Dallas, Tex.
R. M. Sims, 807 Walton Building, Atlanta, Ga.
E. W. Brockenbrough. executive vice president, Institute of Shortening and Edible Oils, 927 Fifteenth Street, Washington, D. C.
B. Friman, Lacy Lee Co., 141 West Jackson Boulevard, Chicago, Ill.
J. C. Smith, president, Smith-Weihman Co., 15 Moore Street, New York, N. Y.
Wilbur-Ellis Co., 1206 South Maple Avenue, Los Angeles, Calif.
George Elbert, Elbert & Co., Inc., 2 Broadway, New York, N. Y.
Douglas Dies. Washington representative, National Institute of Oilseed Products, 1001 Barr Building, Washington 6, D. C.
John Gordon, secretary, Bureau of Raw Materials, 1251 National Press Building, Washington, D. C.
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Robert Raclin, H. C. Raclin & Co., Chicago, Ill.
Morris W. Rosenberg, Athena Feed & Oil, 256 Williams Street NW., Atlanta, Ga.
F. E. Loud, Murray Oil Products Co., Margaret and Bermuda Streets, Philadelphia, Pa.

FLOUR, GRAIN, AND GRAIN PRODUCTS

R. J. Barnes, Tidewater Grain Co., Philadelphia, Pa.
Walter C. Berger, American Feed Manufacturers Association, Chicago, Ill.
Herman Browne, N. V. V. Feed Corp., New York, N. Y.
Henry H. Cate, Flour Mills of America, Inc., Kansas City, Mo.
Charles Crofton, Leval & Co., Inc., New York, N. Y.
Carl C. Farrington, Archer Daniels Midland Co., Minneapolis, Minn.
William W. Fuchs, William W. Fuchs & Co., Inc., New York, N. Y.
Fred Hediger. Garnac Grain Co., New York, N. Y.
John Locke, Fisher Flouring Mills Co., Seattle, Wash.
J. C. Mitchell, Tex-O-Kan Flour Mills, Dallas, Tex.
William Schilthuis, Continental Grain Co., New York, N. Y.
Charles B. Stout, Dixie Portland Flour Co., Memphis, Tenn.
A. B. Sparboe, Flour Milling Division, Pillsbury Mills, Inc., Minneapolis, Minn

A. Nebinger, General Mills, Inc., Buffalo, N. Y.
A. W. Quiggle, H. H. King Flour Mills Co., Minneapolis, Minn.
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L. B. Denison, North Dakota Mill & Elevator Co., Frank Forks, N. Dak.
Edward E. Erickson, Bunge Corp., 42 Broadway, New York, N. Y.
Robert I. Jones, 1112 Clara Street, Fort Worth, Tex.
Maurice M. LeBreton, Schofield Trading Co., 344 Camp Street, New Orleans 12, La.
James Spangler, Gorden Fennell Co., Cedar Rapids, Iowa.
W. J. deWinter, Russell-Miller-Milling Co., Minneapolis, Minn.
George Kelley, Bay State Milling Co., Winona, Minn.
V. B. Smith, Sperry Flour Co., San Francisco, Calif.
F. H. Bateman, Shawnee Milling Co., Shawnee, Okla.
Fred Lake, Colorado Milling & Elevator Co., Denver, Colo.
Clark Yager, Ballard & Ballard Co., Louisville, Ky.
I. B. Catz, Catz American Sales Corp., 99 Hudson Street, New York, N. Y.

GENERATING MACHINERY

D. J. McCormack, S. Morgan Smith Co., York, Pa.
Andrew Liston, Baldwin Locomotive Works, Eddystone, Pa.
J. A. H. Torry, International General Electric Co., Shoreham Building, Washington 6, D. C.
Robert C. Ford, Westinghouse Electric International Co., Commonwealth Building, Washington 6, D. C.
Robert N. Landreth, Allis-Chalmers Manufacturing Co., Southern Building, Washington 6, D. C.
Leonard Morris, Fraser Morris & Co., 119 West Fifty-seventh Street, New York 19, N. Y.
Paul G. Furer, Hans Utsch & Co., Inc., 42 Broadway, New York 4, N. Y.
Bobby Goodman, Convoy's Ltd., 1133 Broadway, New York 10, N. Y.
Col. Edward T. Barrett, Barrett Transportation Service, 8 Bridge Street, New York 4, N. Y.
Walter J. Mercer, Hudson Shipping Co., Inc., 15 West Sixty-fourth Street, New York 19, N. Y.
John Sours, Amerit Shipping & Trading Co., 44 Whitehall Street, New York 4, N. Y.
A. A. Floch, Alltransport, Inc., 6 State Street, New York 4, N. Y.
George R. Bendish, J. Fabris & Co., 466 West Twenty-first Street, New York 11, N. Y.
G. I. Newblatt, Sweet Life Food Corp., 52-01 Flushing Avenue, Maspeth, Long Island, N. Y.
Paul A. Schack, R. H. Macy & Co., Herald Square, New York 1, N. Y.
M. B. Horton, Union Toure, Inc., 15 West Thirty-sixth Street, New York, N. Y.
William Remke, World of Friends Flour Committee, room 920, 123 West Madison Street, Chicago 2, Ill.
Arthur Salm, S. Salm Co., 1031 East Fifty-fifth Street, Chicago, Ill.
John Gough, American Airlines, 100 East Forty-second Street, N. Y.
John T. Lang, S. S. Pierce Co., 133 Brookline Avenue, Boston, Mass.
Frank Glace, Sears, Roebuck & Co., 4640 Roosevelt Boulevard, Philadelphia, Pa.
S. W. Fallis, Lombard Forwarding Co., 3726 North Broad Street, Philadelphia, Pa.
Frederick J. Huttrer, British American Trading Co., 135 Broadway, New York, N. Y.
J. P. Jeannency, J. P. J. Express Co., 30 East Thirty-fifth Street, New York 16, N. Y.
William L. Prizor, Miller & Rhoads, Inc., 517 East Broad Street, Richmond 17, Va.

HARD FIBERS AND CORDAGE

S. W. Metcalf, Columbian Rope Co., 309 Genesee Street, Auburn, N. Y.
E. O. Cogan, Fiber and Twine Division, International Harvester Co., 180 North Michigan Avenue, Chicago, Ill.

R. C. Utess, American Manufacturing Co., Noble and West Streets, Brooklyn 22, N. Y.
A. R. Stenson, Stenson Twine Co., 1645 Hennepin Avenue, Minneapolis, Minn.
E. A. Reedy, Schermerhorn Bros. Co., 1324 West Twelfth Street, Kansas City 7, Mo.
Waldo Reiner, Wall Rope Co., 48 South Street, New York 5, N. Y.
William S. Miles, Jr., Peoria Cordage Co., 1502 South Washington Street, Peoria 2, Ill.
Frank P. McCann, Tubbs Cordage Co., 200 Bush Street, San Francisco 4, Calif.
E. D. Martin, Hooven and Allison Co., 555 Cincinnati Avenue, Xenia, Ohio.
Edwin G. Roos, Plymouth Cordage Co., Plymouth, Mass.

HARDWOOD PANEL

J. J. Egan, Wood-Mosaic Co., Louisville 9, Ky.
H. L. Manley, Reynolds & Manley Lumber Co., Savannah, Ga.
Lee Robinson, Mobile River Saw Mill Co., Inc., Mount Vernon, Ala.
Abbott M. Fox, Abbott Fox Lumber Co., Iron Mountain, Mich.
J. R. Devereaux, Jr., Norton & Ellis, Inc., Norfolk 10, Va.
Edward V. French, the Atlantic Lumber Co., 88 Broad Street, Boston 4, Mass.
J. S. Baer, Jr., Kidd & Buckingham Lumber Co., 1400 Ridgely Street, Baltimore 3, Md.
S. M. Nickey, Jr., Nickey Bros., Inc., Memphis 12, Tenn.
Hubert Lamson, Lamson-Volkert Lumber Co., Inc., 816 Maritime Building, New Orleans 12, La.
Walter W. Kellogg, Kellogg Lumber Co., Inc., Monroe, La.
F. Edwin Mower, the Mower Lumber Co., Masonic Building, Charleston, W. Va.
J. B. Edwards, Hillyer Deutsch, Edwards, Inc., Oakdale, La.
Harry Winkler, Ernst Seidelmann Corp., 233 Broadway, New York 7, N. Y.
H. R. Condon, Koppers Co., Inc., Wood Preserving Division, Pittsburgh 19, Pa.
Al H. Bankston, Bankston Lumber & Export Co., 503 Savannah Bank and Trust Building, Savannah, Ga.
C. K. Callaham, C. K. Callaham & Sons Lumber Co., Inc., 109 South Mint Street, Charlotte 1, N. C.
D. B. Frampton, D. B. Frampton & Co., Huntington Bank Building, Columbus 15, Ohio.
Abe Lemsky, Anderson-Tully Co., Memphis 10, Tenn.
Joe Thompson, Thompson-Katz Lumber Co., Post Office Box 112, Memphis 1, Tenn.
John C. Turner, W. M. Ritter Lumber Co., 115 East Rich Street, Columbus 15, Ohio.
John L. Avery, Frost Lumber Industries, Inc., Shreveport 90, La.
F. W. Girdner, Temple Lumber Co., Pineland, Tex.
Gene Howerdd, Georgia-Pacific Plywood & Lumber Co., Augusta, Ga.
J. S. Williford, Cathey-Williford-Jones Co., 509-518 First National Bank Building, Memphis 1, Tenn.

INDUSTRIAL DIAMONDS AND TOOLS INDUSTRY

Armand Goldmuntz, president, Allied Industrial Diamond Co., 527 Fifth Avenue, New York 17, N. Y.
Stephen W. Hofman, vice president, Diamond Distributors Sales Co., Inc., 40 West Fortieth Street, New York 18, N. Y.
Warren S. Jamar, sales manager, R. S. Patrick Co., 610 Sellwood Building, Duluth, Minn.
Lazare Kaplan, 630 Fifth Avenue, New York, N. Y.
Abraham Levine, 17–19 Maiden Lane, New York, N. Y.
I. J. Meade, vice president, United States Industrial Diamond Corp., 420 Lexington Avenue, New York 17, N. Y.
Solomon Van Berg, president, Rough Diamond Co., Inc., 630 Fifth Avenue, New York, N. Y.
Paul Bieberich, president, Fort Wayne Wire Die Co., Inc., 2625 E. Pontiac Street, Fort Wayne, Ind.
M. N. Felker, president, Felker Manufacturing Co., 1128 Border Avenue, Terrance, Calif.
Frank E. Koepel, president, J. K. Smit & Sons, Inc., 157 Champers Street, New York 7, N. Y.

R. D. Longyear, president, R. D. Longyear Co., Minneapolis, Minn.
George E. McGuire, director, foreign sales, The Carborundum Co., Buffalo, N. Y.
W. LaCoste Neilson, vice president, The Norton Co., Worcester, Mass.
James A. Ross, president, Sprague and Henwood, Inc., Box 446, Scranton, Pa.
H. W. Twogood, 5560 Alhambra Avenue, Los Angeles, Calif.
Bernard A. Worms, Westcoast Diamond Tool Co., Los Angeles, Calif.
F. L. Driver, president, Driver-Harris Co., Harrison, N. J.
Harvey B. Wallace, president, Wheel Trueing Tool Co., 3200 W. Davison Avenue, Detroit 6, Mich.
Joseph Baumgold, Joseph Baumgold, Inc., 62 West Forty-seventh Street, New York, N. Y.
Harry Winston, Harry Winston, Inc., 7 East Fifty-first Street, New York, N. Y.
Leo Kaplan, Lazare Kaplan & Sons, Inc., 630 Fifth Avenue, New York, N. Y.
Alexander H. Arnstein, Arnstein Bros. Co., 608 Fifth Avenue, New York, N. Y.
Jack Solow, J. Solow & Son, 71 Nassau Street, New York, N. Y.
Simon Barend, Barend & Sweyd, Inc., 106 Fulton Street, New York, N. Y.
Samson Koe, 665 Fifth Avenue, New York, N. Y.
Joseph S. Kipnis, Kipnis Diamond Cutting Co., Inc., 580 Fifth Avenue, New York, N. Y.
Harry Wachsberg, J. Wachsberg & Son, 660 Fifth Avenue, New York, N. Y.
O. A. Buckner, Bay State Abrasive Products Co., 12 Union, Westboro, Mass.
Franz Landau, Landau Consolidated Corp., 630 Fifth Avenue, New York, N. Y.
Aaron Koenig, Max Koenig & Son, 576 Fifth Avenue, New York, N. Y.
George Fine, Max Fine & Sons, Inc., 20 West Forty-seventh Street, New York, N. Y.
J. D. A. Morrow, president, Joy Manufacturing Co., Pittsburgh 22, Pa.
President, Christensen Diamond Products Co., 1975 South Second Street West, Salt Lake City, Utah.
President, Mott Core Drilling Co., Huntington, W. Va.
H. A. Jackson, president, Chicago Pneumatic Tool Co., 6 East Forty-fourth Street, New York 17, N. Y.
C. H. Craft, Collite Tungsten Corp., 556 Thirty-ninth Street, Union City, N. J.
President, Balloffet Dies & Nozzle Co., 51 Adams Street, Guttenberg, N. J.
Victor J. Bowlin, Vianney Wire Die Works, 250 East Forty-third Street, New York, N. Y.
Dorus Van Itallie, Van Itallie Corp., 1650 Broadway, New York 19, N. Y.

LEATHER

Joseph Kaltenbacher, Seton Leather Co., 62 Verona Avenue, Newark, N. J.
M. C. Weimar, Armour Leather Co., 173–175 North Franklin Street, Chicago, Ill.
Saul Neotow, A. C. Lasrence Leather Co., Peabody, Mass.
George Harding, Howes Leather Co., 321 Summer Street, Boston, Mass.
S. B. Gay, Blanchard Bro. & Lane, 408 Frelinghutsen Avenue, Neward, N. J.
Kurt Friend, J. Greenebaum Tanning Co., 3057 North Rockwell Street, Chicago, Ill.
W. F. Schumann, Jr., Hoffman-Stafford Tanning Co., 1001 West Division, Chicago, Ill.
E. H. Gallun, A. F. Gallun & Sons, Inc., 1818 North Water Street, Milwaukee, Wis.
Francis Y. Crans, Winslow Brothers & Smith, 248 Summer Street, Boston, Mass.
C. F. VanPelt, Fred Rueping Leather Co., 96 Doty Street, Fond Du Lac, Wis.
Ralph N. Pope, Northwestern Leather Co., 93 Lincoln Street, Boston, Mass.
Fred H. Becker, The Ohio Leather Co., 1052 North State Street, Girard, Ohio.
Sturgis Stout, John R. Evans & Co., Second and Erie Streets, Camden, N. J.
Fred Arnold, Jones & Naudin, 87 South Main Street, Gloversville, N. Y.
Harold Connett, Surpass Leather, Ninth and Westmoreland Streets, Philadelphia, Pa.

PARAFFIN WAX

Frederick Smiley, Petex Corp., 1170 Broadway, New York, N. Y.
Donald O'Hara, Union Oil Co. of California, Munsey Building, Washington, D. C.
Alfred Aufhauser, Industrial Raw Materials Corp., New York, N. Y.
A. A. Garrabrant, Atlantic Refining Co., Philadelphia, Pa.

Melvin Isaacs, Pacific Wax Refining Co., San Francisco, Calif.
S. Henle, S. Henle, Inc., New York, N. Y.
S. P. Drummond, Sr., S. P. Drummond, Inc., New York, N. W.
C. B. Massey, Sinclair Refining Co., New York, N. Y.
J. DeLuna, Standard Oil Co. of New Jersey.

PETROLEUM

Jack Evans, Asiatic Petroleum Co., Dupont Circle Building, Washington, D. C.
Herbert Sadtler, Esso Standard Oil Co., Standard Oil Building, Third and Constitution, Washington, D. C.
H. F. Seitz, Standard Vacuum Oil Co., 510 Shoreham Building, Washington, D. C.
E. P. Kavanaugh, Caltex Oil Products Co., 806 Connecticut Avenue NW, Washington, D. C.
Donald O'Hara, Union Oil Co. of California, 930 Munsey Building, Washington, D. C.
Raymond C. Cushwa, Standard Oil of California, 815 Fifteenth Street NW, Washington, D. C.
S. A. Shank, Socony Vacuum Oil Co., 510 Shoreman Building, Washington, D. C.
T. P. Conlon, Sinclair Oil Co., 1210 Shoreman Building, Washington, D. C.
W. E. Ruffner, Richfield Oil Co., 1210 Shoreman Building, Washington, D. C.
F. W. C. Paton, Gulf Oil Corp., Gulf Building, Pittsburgh, Pa.
E. P. Speiman, the Texas Co., 135 East Forty-second Street, New York 17, N. Y.
A. E. Bruggemann, Mercury Oil & Trading Co., 745 Fifth Avenue, New York 22, N. Y.

PHENOL

John L. Gillis, Monsanto Chemical Co., 1700 South Second Street, St. Louis, Mo.
Don R. Williams, Dow Chemical Co., Midland, Mich.
Charles O'Connor, Reichold Chemicals, Inc., 601 Woodward Heights Boulevard, Detroit 20, Mich.
V. F. Snyder, Durea Plastics & Chemicals, Inc., 520 Walck Road, North Tonawanda, N. Y.
W. H. Milton, General Electric Co., 1 Plastic Avenue, Pittsfield, Mass.
R. C. Quartrup, Barrett Division, Allied Chemical & Dye Corp., 40 Rector Street, New York 6, N. Y.
P. C. Reilly, Jr., Reilly Tar & Chemical Co., 500 Fifth Avenue, New York, N. Y.
R. R. Holmes, Koppers Co., 901 Koppers Building, Pittsburgh, Pa.
J. V. Freeman, United States Steel Corp., 71 Broadway, New York, N. Y.
L. A. Schleuter, American Coke & Coal Chemicals Institute, 729 Fifteenth Street NW., Washington, D. C.
Frank H. Carman, Plastic Materials Manufacturing Association, Tower Building, Washington, D. C.
Charles A. Mace, Synthetic Organic Chemical Manufacturers Association, 41 East Forty-second Street, New York, N. Y.
Clinton Blount, Bakelite Corp., 30 East Forty-second Street, New York 17, N. Y.
P. A. Clark, Resinous Products & Chemical Co., 222 West Washington Square, Philadelphia, Pa.
L. A. Mason, Sherwin Williams, 296 Madison Avenue, New York 17, N. Y.
Niles Anderson, Casein Co. of America, 350 Madison Avenue, New York 17, N. Y.
H. Wernecke, Hersite & Chemical Co., Manitowoc, Wis.
Ray G. Booty, Interlake Chemical Corp., 1914 Union Commerce Building, Cleveland 14, Ohio.
M. S. Hooper, Sharples Chemicals, Inc., 123 South Broad Street, Philadelphia 9, Pa.
T. B. Marlaky, M & M Woodworking Co., 2301 North Boulevard, Portland, Oreg.
J. P. Remensnyder, Heyden Chemical Corp., 393 Seventh Avenue, New York 1, N. Y.
H. B. Bateman, Citcon Co., c/o Lummus Co., 420 Lexington Avenue, New York, N. Y.
Gordon Baird, Baird & McGuire, Inc., Holbrook, Mass.
H. W. Hamilton, White Tar Co., Kearny, N. J.
Dr. E. G. Thomssen, J. R. Watkins Co., Winona, Minn.
Union Oil Co. of California, Homer Read, 617 West Seventh Street, Los Angeles 14, Calif.

Simon J. Vogel, Chematar, Inc., 40 Exchange Place, New York 5, N. Y.
W. B. Reinhard, Reinhard Chemical Corp., Chrysler Building, New York 17, N. Y.
W. D. Neuberg, W. D. Neuberg Co., Inc., 420 Lexington Avenue, New York 17, N. Y.
S. H. Bergstrom, Bergstrom Trading Co., Woolworth Building, New York 7, N. Y.
I. A. Lobel, Allied Raw Material Co., 38 Park Row, New York 7, N. Y.
H. Sonfield, Tampinex Oil Products Co., 21 West Forty-sixth Street, New York 19, N. Y.
E. L. Bodenheimer, Ore & Ferro Corp., 30 Broad Street, New York, N. Y.
B. J. Shepard, Shepard Chemical Corp., 117 Liberty Street, New York 16, N. Y.
E. S. Hogan, Connell Bros., 19 Rector Street, New York, N. Y.
P. F. O'Brien, Elbert & Co., 2 Broadway, New York 4, N. Y.
Tino Perutz, Omni Products Corp., 460 Fourth Avenue, New York 16, N. Y.
H. Koster, Mercantile Metal & Ore, 60 Wall Street, New York 5, N. Y.
H. L. Schleinger, European Chemical & Metal Corp., 366 Broadway, New York 13, N. Y.
F. M. Marshall, Industrial Raw Materials Corp., 52 Wall Street, New York 5, N. Y.
A. R. Marx, Almarex Products, Inc., 15 Park Row, New York 7, N. Y.
George Uhe, George Uhe Co., Inc., 75 Eighth Avenue, New York 14, N. Y.
F. B. Hillhouse, Southern Dyestuff Corp., Post Office Box 1045, Charlotte, N. C.
Frank Boylan, Turbitt LeFebvre, Inc., 40 Exchange Street, New York 5, N. Y.
E. R. Morrell, R. Kay New York, Ltd., 60 Broad Street, New York 4, N. Y.
W. L. Bossart, Siber Hegner & Co., 183 Madison Avenue, New York 16, N. Y.

RICE

Adolph Pfeffer, Adolphus Rice Mills Co., Post Office Box 1681, Houston, Tex.
Cyril Laan, Rickert, Wasseuan & Laan, Girod and South Front Street, New Orleans, La.
J. Bruce Hancock, El Campo Rice Milling Co., El Campo, Tex.
Howard Alderson, Producters Rice Mill, Inc., Stuttgart, Ark.
W. M. Reid, Rice Export Association, Post Office Box 1289, New Orleans, La.
John Rice Nuber, 409 Investment Building, Washington, D. C.
H. A. Tabry, Walter J. Garic Co., Queen & Crescent Building, New Orleans, La.
Frank A. Godchaux, Louisiana State Rice Milling Co., Abbeville, La.
H. G. Murch, American Rice Growers Association, Houston, Tex.
Car Himel, Farmers Rice Milling Co., Lake Charles, La.
Mr. Kahlman, Del Valle, Kahlman & Co., San Francisco, Calif.

SEEDS

William Heckendorn, executive secretary, American Seed Trade Association, 30 North La Salle Street, room 909, Chicago 2, Ill.
Archie M. Kroloff, Advance Seed Co., Phoenix, Ariz.
J. H. Cade, manager, Alexandria Seed Co., Alexandria, La.
Merritt Clark, Associated Seed Growers, 205 Church Street, New Haven 2, Conn.
Earl M. Page, president, Corneli Seed Co., 101 Chouteau Avenue, St. Louis 2, Mo.
R. B. Dessert, Jr., Dessert Seed Co., El Centro, Calif.
Lloyd M. Brown, The Albert Dickinson Co., post-office box 788, Chicago 90, Ill.
Stephen Beale, vice president, Ferry-Morse Seed Co., post-office box 778, Detroit 31, Mich.
J. R. Holbert, general manager, Funk Bros. Seed Co., Bloomington, Ill.
Ethel Ely Pattison, International Seed, Inc., 11 Park Place, New York 7, N. Y.
J. Howard Withey, Northrup, King & Co., 1500 Jackson Street NE., Minneapolis 13, Minn.
Fred Waldo Rohnert, Waldo Rohnert Co., Gilroy, Calif.
Charles D. Ross, Ross Seed Co., northwest corner Fifteenth and Lytle Streets, Louisville 3, Ky.
John T. O'Connell, Jr., Wm. G. Scarlett & Co., 729–743 East Pratt Street, Baltimore 2, Md.
James H. Shields, Jr., Shields, Buhle, Idaho.
Stanley Folsom, Twin City Seed Co., 130 Second Street NE., Minneapolis 13, Minn.

Smead Berry, seed division, Washington Co-Op Farmers' Association, 11 Park Place, New York 7, N. Y.
F. J. D. MacKay, T. W. Wood & Sons, 11 South Fourteenth Street, Richmond 19, Va.

SOFTWOOD

Thomas H. Wagner, vice president, Gross & Janes Co., 418 Olive Street, St. Louis, Mo.
E. L. Kurth, president, Angelina County Lumber Co., Keltys, Tex.
R. F. Crutcher, Warsaw Lumber & Trading Co., 1102 Savannah Bank Building, Savannah, Ga.
Arthur S. Penketh, Fairhurst Lumber Co., Tacoma 1, Wash.
J. E. Burtis, president, American Pitch Pine Export Co., Inc., Pere Marquette Building, New Orleans 12, La.
W. F. Walker, vice president, Dantzler Lumber & Export Co., Tampa 1, Fla.
James A. Brown, president, Tidewater Lumber & Supply Co., Inc., 3127 Douglas Road, Miami 33, Fla.
Earl McGowan, vice president, W. T. Smith Lumber Co., Chapman, Ala.
W. G. Hellar, Heidner & Co., Tacoma, Wash.
J. B. Johnson, president, Otis McAllister & Co., 301 Sansome Street, San Francisco 4, Calif.
C. L. Griggs, director, Export Pacific, Tacoma 2, Wash.
John Philip Herber, John P. Herber & Co., Inc., Exchange Building, Seattle 4, Wash.
E. E. Pershall, chairman of the board, T. J. Moss Tie Co., Security Building, St. Louis 2, Mo.
J. S. Rubie, Louis Sovey & Co., 149 California Street, San Francisco 11, Calif.
J. S. Calhoun, vice president, Eppinger & Russell Co., Post Office Box 3257, Jacksonville 6, Fla.
G. A. Ganahl, The Robert Dollar Co., 945 Henry Building, Seattle 1, Wash.
G. W. Kuehn, assistant vice president, American Creosoting Co., 551 Fifth Avenue, New York 17, N. Y.
S. B. Ferrell, sales manager, Pope & Talbot, Inc., Portland 9, Ore.
A. F. Pavenstedt, Balfour, Guthrie & Co., Ltd., Dexter Horton Building, Seattle, Wash.
J. J. Connolly, assistant export manager, Dent & Russell, Inc., 309 Southwest Sixth Avenue, Portland 4, Ore.
J. E. Crosby, Putnam Lumber & Export Co., Post Office Box 928, Jacksonville 1, Fla.
B. K. Frank, export and traffic manager, Pacific Export Lumber Co., United States National Bank Building, Portland, Ore.

STREPTOMYCIN

H. Arneson, Abbott Laboratories, 919 North Michigan Boulevard, Chicago, Ill.
Boyd O'Connor, Ayerst, McKenna & Harrison, Ltd., 22 West Fortieth Street, New York, N. Y.
James P. Schlesinger, Bendimer & Schlesinger, Inc., Third Avenue and Tenth Street, New York, N. Y.
Frank R. Cusmane, Bio-Rama Drug Co., 9 North Eutaw Street, Baltimore, Md.
Robert Gasen, Bristol Laboratories, Inc., Syracuse, N. Y.
J. M. Krizen, Jr., Burroughs Wellcome & Co., Tuckahoe, N. Y.
Theodore Cutter, Cutter Laboratories, Fourth and Parker Streets, Berkeley, Calif.
John Reminsnyder, Heyden Chemical Corp., 393 Seventh Avenue, New York, N. Y.
E. P. Helfaer, Lakeside Laboratories, 1707 East North Avenue, Milwaukee, Wis.
Forrest Teel, Eli-Lilly & Co., 740 South Alabama Street, Indianapolis, Ind.
Nelson M. Gampfer, William S. Merrell Co., Lockland Station, Cincinnati, Ohio.
Robert M. Kirk, McKesson & Robbins, Inc., 155 East Forty-fourth Street, New York, N. Y.
James J. Kerrigan, Merck & Co., Inc., Rahway, N. J.
Ernest Brier, Parke, Davis & Co., Joseph Campau at the River, Detroit, Mich.
Fred J. Stock, Charles Pfizer & Co., Inc., 81 Maiden Lane, New York, N. Y.
T. A. Blackman, Premo Pharmaceutical Labs., Inc., South Hackensack, N. J.
Justin Dart, Rexal Drug Co., Los Angeles, Calif.

William Wimpenny, Sharp & Dohme, Inc., 640 North Broad St., Philadelphia, Pa.
Theodore Weicker, E. R. Squibb & Sons, 745 Fifth Avenue, New York, N. Y.
C. V. Patterson, Upjohn Co., 301 Henrietta Street, Kalamazoo, Mich.
D. A. Walker, William R. Warner & Co., 113 West Eighteenth Street, New York, N. Y.
Dr. Theodore Klumpp, Winthrop Products Co., 170 Varick Street, New York, N. Y.
Frank F. Law, Wyeth, Inc., 1600 Arch Street, Philadelphia, Pa.
Dan Rennick, Drug Trade News, 330 West Forty-second Street, New York, N. Y.
Hugh Criag, Oil, Paint and Drug Reporter, 59 John Street, New York, N. Y.
Dr. Robert Fiechelis, American Pharmaceutical Association, 2215 Constitution Avenue NW., Washington, D. C.
Edward Griffel, Edward Griffel & Co., Inc., 141 Broadway, New York, N. Y.

TIN PLATE

K. Brown, Bethlehem Steel Export Corp., 25 Broadway, New York 4, N. Y.
J. Klorehoper, United States Steel Export Co., 30 Church Street, New York 8, N. Y.
H. Stephan, Republic Steel Corp., 932 Chrysler Building, New York 17, N. Y.
C. Seidell, Jones & Laughlin Steel Corp., 230 Park Avenue, New York 17, N. Y.
W. Davis, Youngstown Sheet & Tube Co., 500 Fifth Avenue, New York, N. Y.
E. Neidringhouse, Granite City Steel Co., Granite City, Ill.
J. Maschenic, Wheeling Steel Corp., 120 Broadway, New York, N. Y.
E. Sanns, Inland Steel Co., 38 South Dearborn Street, Chicago, Ill.
H. Stillwell, Weirton Steel Co., Weirton, W. Va.
S. B. Mandel, Carr Bros., Inc., 120 Broadway, New York, N. Y.
H. Cornman, Pan American Trade Development Corp, 40 Wall Street, New York 5, N. Y.
G. Malcolm, United States of America International Co., 527 Fifth Avenue, New York, N. Y.
L. Gelbert, R. Maes Export & Import Corp., 165 Broadway, New York 6, N. Y.
B. S. Livingston, Livingston & Southard, Inc., 59 Broadway, New York 4, N. Y.
M. F. Smith, Charles Williams & Associates, Ltd., 50 Church Street, New York, N. Y.
——— Silverstein, Tuteur & Co., 50 Wall Street, New York 5, N. Y.
Charles Koons, Charles A. Koons Co., 620 Fifth Avenue, New York 20, N. Y.
Lewis E. Nordlinger, Steinhardter & Nordlinger Co., 105 Hudson Street, New York 13, N. Y.
J. Calderon, Brewster Trading, 99 Hudson Street, New York, N. Y.
A. H. Benjamin, Anglo-American Trading Corp., 90 Broad Street, New York 4, N. Y.

TRACKLAYING TRACTORS

W. A. Roberts, executive vice president, Allis Chalmers Manufacturing Co., Tractor Division, 1126 South Seventieth Street, West Allis, Wis.
A. Axelrod, president, American Agricultural Equipment Co., Inc., 274 Madison Avenue, New York 16, N. Y.
L. B. Neumiller, president, Caterpillar Tractor Co., Peoria, Ill.
C. D. Wilman, president, Deere & Co., 1325 Third Avenue, Moline, Ill.
International Harvester Co., 180 North Michigan Avenue, Chicago, Ill. (Mr. J. S. McCaffery, president).
A. W. Phelps, president, The Oliver Corp., 400 West Madison Street, Chicago 6, Ill.

WHEEL TRACTORS

W. A. Roberts, executive vice president, Allis-Chalmers Manufacturing Co., Tractor Division, 1126 South Seventieth Street, West Allis, Wis.

A. Axelrod, president, American Agricultural Equipment Co., Inc., 274 Madison Avenue, New York 16, N. Y.

P. H. Noland, president, B. F. Avery & Sons Co., Inc., 1721 South Seventh Street, Louisville 8, Ky.

Theodore Johnson, president, J. I. Case Co., 700 State Street, Racine, Wis.

L. B. Neumiller, president, Caterpillar Tractor Co., Peoria, Ill.

C. D. Wiman, president, Deere & Co., 1325 Third Avenue, Moline, Ill.

Erwin Greenbaum, president, Empire Tractor Co., 3700 Main Street, Philadelphia, Pa.

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Horace D'Angelo, executive vice president, Harry Ferguson, Inc., 3639 East Milwaukee Avenue, Detroit 11, Mich.
M. J. O'Neill, Ford Motor Co., Tractor Sales Department, 14300 Woodward Avenue, Highland Park 3, Mich.
Haney Corp, 1700 Walnut Street, Philadelphia, Pa.
J. S. McCaffery, International Harvester Co., 180 North Michigan Avenue, Chicago, Ill.
Leader Tractor Manufacturing Co., 3781 East Seventy-seventh Street, Cleveland 5, Ohio.
R. G. LeTourneau, president, R. G. LeTourneau, Inc., Peoria, Ill.
E. A. Longnecker, president, LeRoi Co., 1706 South Sixty-eighth Street, Milwaukee, Wis.
Love Tractor Co., Elm Street, Eau Claire, Mich.
W. K. Hyslop, president, Massey Harris Co., 1721 Packard Ave., Racine, Wis.
W. C. McFarlane, president, Minneapolis Moline Power Implement Co., Box 1050, Minneapolis, Minn.
F. J. Lucid, president, Mobile Equipment Corp., 1010 Vermont Avenue NW., Washington 5, D. C.
A. W. Phelps, president, The Oliver Corp., 400 West Madison Street, Chicago, Ill.
J. N. Laughlin, president, Sollberger Engineering Co., Inc., 510 Hazelwood Street, Marshall, Tex.

TYPESETTING MACHINERY

John W. Reid, assistant treasurer, Mergenthaler Linotype Co., 29 Ryerson Street, Brooklyn 5, N. Y.
Frank Hoffman, vice president, Intertype Corp., 360 Furman Street, Brooklyn 2, N. Y.
Lawrence Helmick, export manager, Ludlow Typograph Co., 2032 Clybourn Avenue, Chicago, Ill.
Joseph F. Costello, president, Lanston Monotype Machinery Co., Twenty-fourth and Locust Streets, Philadelphia, Pa.
Ernest Payne, Payne & Craig, 88 Beekman Street, New York, N. Y.
James Brackett, secretary, Printing Industry of America, 719 Fifteenth Street NW., Washington, D. C.
James J. O'Connor, president, Columbia Typographical Union, Central Building, 805 G Street NW., Washington, D. C.

ZINC

R. F. Zimmer, executive vice president, American Metal Co., Ltd., 61 Broadway, New York 6, N. Y.
K. C. Brownell, American Smelting & Refining Co., 120 Broadway, New York, N. Y.
R. E. Dwyer, executive vice president, Anaconda Copper Co., 25 Broadway, New York 4, N. Y.
Howard I. Young, president, American Zinc, Lead & Smelting Co., 818 Olive Street, New York, N. Y.
Benno Elkan, president, International Minerals & Metals Corp., 11 Broadway, New York, N. Y.
Andrew Fletcher, president, St. Joseph Lead Co., 230 Park Avenue, New York, N. Y.
N. W. Rice, president, U. S. Smelting, Refining & Mining Co., 57 William Street, New York, N. Y.
Marshall Havey, executive vice president, New Jersey Zinc Co., 160 Front Street, New York 7, N. Y.
Robert E. McClurkin, president, Mathiesen & Hegeler Zinc Co., La Salle, Ill.
A. J. McNab, Magma Copper Co., 11 Broadway, New York, N. Y.
R. E. McCormack, Eagle Picher Co., Miami, Okla.
George Biscaye, C. Tennant & Sons, 350 Fifth Avenue, New York, N. Y.
N. H. McKenna, assistant to president, Hanlon Gregory Galvanizing, 5515 Butler Street, Pittsburgh 1, Pa.
Harry Hofkin, president, Penn Galvanizing, 2201 East Tioga Street, Philadelphia, 34, Pa.
James Henry, vice president, Weirton Steel, Weirton, W. Va.
A. L. Hoglund, executive vice president, Northwestern Steel & Wire Co., Sterling, Ill.

E. F. Maneely, president, Wheatland Tube Co., Real Estate Trust Building, Philadelphia 7, Pa.
F. L. Riggs, president, Mueller Brass Co., Fort Huron, Mich.
W. P. Sieg, president, Titan Metal Manufacturing Co., Belefont, Pa.
Robert V. Henning, vice president, Belmont Smelting & Refining Co., 330 Belmont Avenue, Brooklyn 7, N. Y.
E. R. Dondorf, National Lead, 111 Broadway, New York, N. Y.
J. A. Hill, president, Illinois Zinc Co., 2959 West Fourth Street, Chicago, Ill.
H. C. Lawrence, vice president, Hegeler Zinc Co., Danville, Ill.
H. N. Stein Kraus, Bridgeport Brass, 30 Grand Street, Bridgeport, Conn.
William Flatow, assistant vice president, W. R. Grace & Co., 7 Hanover Square, New York, N. Y.
Frank Canberry, president, Metal Traders Inc., 67 Wall Street, New York, N. Y.
Eric Gumpert, Gumpert Metals Corp., 75 West Street, New York, N. Y.
Joel Edelstein, president, Cosmo Metal Alloy Corp., 275–281 Front Street, New York, N. Y.
Ernest V. Gent, American Zinc Institute, 60 East Forty-second Street, New York, 17, N. Y.

Mr. MULTER. Are there any export controls applicable to Canada?

Mr. BELL. No. Canada, by an agreement made by the President during the war, is exempt. I might interject this—that there has been voluntary agreement with Canada in several instances whereby they limit their imports. They did so a year ago in connection with the short supply of heating oil and other petroleum products, and they have in several instances imposed controls, admitting only what they thought was desirable; but they are not under usual export controls.

Mr. MULTER. Why do you make allocations of these different items to Canada, then?

Mr. BELL. We do in connection with foods because they are bound by the IEFC, to which Mr. Trigg referred to yesterday. Canada and the United Kingdom are members of that committee, and this is all under the general system of allocations.

Is that not right, Mr. Macy?

Mr. MACY. Yes, what is allocated will be the amount that Canada will allow to come in.

Mr. BELL. They have their own import controls on these things, which are under the International Food Committee, and this, as Mr. Macy says, is the amount that they will admit under their import controls.

Mr. MACY. Food controls?

Mr. BELL. There is the International Food Committee which makes allocations between producers and consumers of foods. We have, for instance, import controls on such items, one of the few instances in which we do have such controls, and only the amount allocated by IEFC is permitted to come into the United States.

Mr. MULTER. Are there any controls, so far as Canada is concerned, on any petroleum products?

Mr. BELL. No. Except that last year, as I stated, they cut down by 50 percent what they had taken in the previous winter in petroleum products.

Mr. MULTER. Do you know what the needs of Canada were for the last quarter, for its own use, of cottonseed oil, soybean oil, and lard?

Mr. BELL. I do not know whether those requirements are available here, Mr. Macy.

Mr. MACY. I do not have them with me.

Mr. BELL. They are available, I presume?
Mr. MACY. Their requests for imports?
Mr. MULTER. The Department has this information?
Mr. BELL. For these edible oils?
Mr. MACY. Yes, I think so.
Mr. BELL. That must have been taken up in the International Food Committee.
Mr. MULTER. Does the Department have that kind of information in connection with the petroleum products?
Mr. BELL. They do not file with us any requests for petroleum products.
Mr. MULTER. Petroleum products are in short supply, are they not?
Mr. BELL. But they are not under export controls to Canada, nor do they have import controls.
Mr. MULTER. What good are your controls with reference to other countries if we do not know what our neighboring countries need and are taking from us?
Mr. BELL. The only exception is Canada. There has been discussion as to whether the Hyde Park agreement should be abrogated and whether it should be put under export control. The State Department has never felt that there should be a change in that situation, and I can say that the Canadian authorities have cooperated with us very effectively. We have kept track of their shipment of various items that are subject to control in this country to make sure that there is no transshipment of products purchased from us by Canada and then transshipped from Canada. The instances of that nature have been very, very small.
Mr. MULTER. That is precisely what I am trying to get at.
Mr. BELL. I assumed that you had that in mind.
Mr. MULTER. What is being done by the Department to be sure that any of these items, particularly those that are in surplus here, are not being bought here at the depressed prices by people in Canada and being shipped to the countries we will not let our people ship to, and at higher prices and making a profit of the differential?
Mr. BELL. Without there being controls, except on those things that are under export controls, such as these, that is possible only by our agreements with Canada.
Mr. MULTER. I would like to know what your Department has done to determine what, if anything, is being done along that line.
Mr. BELL. Well, as I said, we have followed regularly the exports from Canada of all short-supply items in this country. Where things are not under control and where there is a surplus, obviously we could do nothing. Any country could buy more than they wanted for re-export. That is part of the pattern of free multilateral trade.
Mr. MULTER. I would like to have you supply us, if you will, please, what Canada's needs for its own use may have been, for the last quarter, for cottonseed oil and soybean oil, and give us the same information, if you will, as to Cuba.
Mr. BELL. I think, as Mr. Macy indicated, we may not have, for the last quarter of 1948, that information available on Cuba for the

cottonseed oil because, since there had been none allocated, there may not have been requests submitted to us.

Mr. MULTER. Does your Department know how much was shipped in the last few months in the way of cottonseed oil, lard, and so forth, to Canada?

Mr. BELL. The export declarations are about 60 days behind. We could get those for the last quarter of 1948, I would say, by the middle of February. We would have them for the first 2 months of the last quarter, at any rate—for October and November. The December figures should be available shortly.

Mr. MULTER. I think the committee would be very much interested in seeing a comparative statement of cottonseed oil, soybean oil, lard, and petroleum products as to the needs of Canada and the shipments to Canada from this country. I think it is fair to assume that the excess, if any, that we have not shipped to Europe, has been reshipped by Canada to other countries.

While they are our neighbors, of course we would like to help them, yet not at the expense of our own people and while our prices are being depressed and theirs are being kept up.

I may be wrong in the assumption I have drawn, but the facts and figures will determine whether I am right or wrong.

Mr. BELL. We shall get those for you as rapidly as they are available.

(The information above referred to is as follows:)

CANADA—PETROLEUM PRODUCTS

No licenses required. Canada was advised in September to increase their take of motor gasoline, kerosene, gas oil, and distillate fuel oil and residual fuel oil during the season of open navigation. This step taken because of improved supply position in United States for these petroleum products. At the same time Canada was advised that their take from the United States should be reduced during the winter months.

Canada agreed to maintain imports during winter of 1948–49 of the above products from United States to 50 percent of the total imports from United States during winter of 1947–48. Improvement in United States supply position has not made it necessary to enforce this agreement.

Cuba—Petroleum products

[In barrels of 42 gallons]

Product	Requirements as estimated by OIT	Quota	Licensed
Crude oil	450,000	450,000	480,000
Aviation gasoline	30,000	30,000	19,000
Motor gasoline	350,000	350,000	422,000
Kerosene	2,000	2,000	----------
Gas oil and distillate fuel oil	50,000	50,000	55,400
Residual fuel oil	560,000	560,000	751,000

NOTE.—In the case of aviation gasoline and kerosene all license requests were issued in full.

Quantities licensed in excess of quotas were deducted from undistributed reserves set up to take care of emergencies.

In the case of residual fuel oil larger quantities were licensed because of excess supplies in United States and the necessity to move this product to any country having storage capacity and a requirement.

Comparison of allocations and exports of specified edible fats to Cuba and and Canada, October to December 1948

[In pounds]

Country and commodity	Country's requested allocation	Allocation, October to December 1948	Exports, October and November 1948
Cuba:			
Cottonseed oil	1,600,000	1,000,000	170,051
Soybean oil	3,500,000	1,000,000	225,330
Lard	22,000,000	21,000,000	11,925,686
Canada:			
Cottonseed oil	2,400,000	2,400,000	798,565
Soybeans (oil) equivalent or—	12,000,000	[1] 4,000,000	[1] 368,522
Soybean oil		[2] 7,204,000	[2] 6,326,458
Lard			30,000

[1] Oil.
[2] Oil equivalent, beans.

Mr. MULTER. Does your Department reallocate any of these various items during any particular quarter if it appears, after the first month or so of the quarter, that there may be a surplus or that there may be applications for less than the allocation, so that where you have allocated to Cuba a certain amount, for instance, and Cuba should not have an application pending for the full quota, that you might then be able to allocate the unapplied-for amount to some other country?

Mr. BELL. We are setting up machinery for doing that as quickly as possible because we feel, if the dollar supply is available in some other country and they have the need, that, in our own interest as well as theirs, we should supply them.

Mr. MULTER. I think you did say that you have heard no opposition from the industry to the continuation of controls?

Mr. BELL. Except as to length of continuation and some detailed provisions.

Mr. MULTER. Have you not had a number of complaints from small business as to the extension of controls?

Mr. BELL. Well, I was answering Dr. Talle's question as to whether we had heard of opposition to the extension. I did not say that there was complete agreement that we were doing a job satisfactory to everyone in the administration of this law. I hope I have not left that impression.

Mr. MULTER. I used the wrong word. Have you received letters from small-business men indicating that, in their opinion, these controls should now be lifted?

Mr. BELL. We may have. I cannot answer that categorically. There may have come into the Department letters of that sort. But the ones that have come to my attention are always in connection with some particular commodity, and they believe that their commodity is now in a supply situation where we should take it off the positive list. But there is a general consensus of opinion that for security reasons the controls should be extended—in other words, frankly, gentlemen, to control shipment of everything to Europe because these things that are taken off the positive list, as was stated in our release on inedible oils, will still be under license requirements for Europe where we have to control the shipment or transshipment from western Europe.

Mr. MULTER. Do you not think it might be sufficient, at this time, to extend these controls limiting them to security purposes?

Mr. BELL. In our judgment, we could not, sir. There are many items in such short supply that we could not do so. In fact, the trend right here in Congress is to insist that we have been too liberal in the shipment of many items, such as steel, and so forth. The complaint has been that we have been too liberal on allocations and that some things should be on the positive list that are not on the positive list. And there is frequently pressure from domestic interests, particularly, to add things to the positive list. We have just recently added industrial diamods, for instance, because the users of industrial diamonds felt there was too much of an export and prices were going up and they could not actually get what they wanted for use in our own manufacturing industry.

Mr. MULTER. That is all, Mr. Chairman.

Mr. BROWN. Mr. Deane.

Mr. DEANE. Mr. Bell, a statement was put in the record yesterday bearing upon your release this morning concerning fats and oils. This statement was credited to a spokesman of General Clay, on November 29, through the Department of Agriculture. I quote:

> There is a perfectly tremendous demand for fats. The need is desperate. The fat crisis is here. We will take anything at any time that will be furnished us. We have asked for allocations in the past, but somehow they never reach us.

I assume that you are familiar with that statement?

Mr. BELL. That is a statement from General Clay?

Mr. DEANE. It is quoted as coming from a spokesman of General Clay. Do you know if this is a factual statement?

Mr. BELL. I would like to ask Mr. Macy to answer that because he works directly with the Department of Agriculture.

Mr. MACY. Mr. Congressman, I do not know what General Clay said. I have not seen the direct quotation from him, and that apparently is not a direct quotation. But the fats and oils situation in Germany has been very, very severe. The ration has been considerably less than what is considered to be an amount necessary for the people.

Mr. DEANE. I asked that question, of course, in view of the fact that most of this hearing has been limited to fats and oils. Of course, I am interested in all of these items. Naturally I would like to know fully the answer on each of them.

There is only one other question that I would like to ask. I do not know whether the witness meant this yesterday or not, but in speaking of where controls should rest he goes on to say:

> I hate to say it, but the administrative discretion in that matter has not been intelligently or fairly exercised and I do not think it is primarily Mr. Sawyer's fault. I think he rubber stamps with his approval nearly every one of these requests that go to him. I am speaking now of the agricultural commodities because I believe he leaves those to Mr. Brannan, as perhaps he should. But we cannot get by the Department of Agriculture. That is where our trouble is.

I wonder if you would like to comment on that statement?

Mr. BELL. One comment I can make is that I can assure you that Mr. Sawyer never rubber stamps anything. It might be a little simpler for us if he at times did so. He examines things very carefully.

Mr. DEANE. I just wanted to clear the record on that point.

Mr. BELL. I only want to add this—that, of course, on agricultural products he pays great heed and gives great weight to the opinion of the Department of Agriculture, who are specialists in the field.

Mr. DEANE. My only parting thought is that—that you should very seriously consider the complete decontrol of this particular commodity on which you have given a new allocation today.

Mr. BELL. I can assure you, sir, that I will submit that as a request for consideration by our committee.

Mr. MONRONEY. Do your export controls include the shipment of fats and oils to occupied countries?

Mr. BELL. You mean the reported statistics?

Mr. MONRONEY. Yes.

Mr. BELL. I believe so. They include even the military shipments which are carried in their own ships for civilian feeding. The only qualification I have in mind was this: Where they are shipping their own supplies for the military forces I think they do not make out the export declarations which are the basis for the Bureau of the Census reports.

Mrs. WOODHOUSE. Mr. Chairman.

Mr. BROWN. Mrs. Woodhouse.

Mrs. WOODHOUSE. In regard to this allocation to Germany, they are not buying on the same basis as other countries, are they?

Mr. BELL. No, indeed.

Mrs. WOODHOUSE. So that this complaint which was quoted yesterday as being made at a conference here may very well have been made without a real basis of understanding as to how supplies were being sent into Germany.

Mr. BELL. All of the purchases of oils and fats are made by the military government for the occupied areas and in the past, so far as my memory serves me, the Department has always allocated the full amount that they felt they were able to purchase. Their funds, of course, are limited.

Mrs. WOODHOUSE. That is what I thought—that it was probably a question of funds and not a question of allocation.

Mr. BELL. As far as I know we have always granted the full amount that they have requested and felt they could afford to purchase.

Mrs. WOODHOUSE. That is all.

Mr. BROWN. Mr. McKinnon.

Mr. MCKINNON. You talked about the allocation of supplies. I would like to go one step further. After the allocation is determined are individual export licenses necessary before a shipment can be moved?

Mr. BELL. That is right, sir—where they are under individual licensing requirements or on the positive list.

A man applies for, and is granted, an amount, which may not be the full amount he has applied for; but a license is issued and the customs people will not allow it to be exported unless he has a license for that amount.

Mr. MCKINNON. And the determination of that export license is in your Department's hands?

Mr. BELL. That is right.

Mr. MCKINNON. Is there competition for these export licenses?

Mr. BELL. In some fields it has been tremendous. That, of course, is a problem that we have not gone into here, but it is a thing that takes up an infinite amount of the time of our licensing officers. We have instances where commodities have been oversubscribed by 400 or 500 percent, and the division, or the cutting up of that pie, is quite a headache because no one is ever satisfied with our decision. But on the pattern that we establish for that licensing is where we have called in these advisory committees—people in the trade concerned—and we have showed them how we planned to go at an almost impossible task and have gotten their advice as to any changes or modifications which might be desired.

In some instances the full amount is not applied for, and in that case it is very easy. Everyone gets a license for the amount requested.

Mr. MCKINNON. In these competitive cases it is a problem; is it not?

Mr. BELL. That is right.

Mr. MCKINNON. Do you have, in your own committee, a group handling that, or is that based entirely upon these advisory panels' recommendations?

Mr. BELL. It is not based entirely upon that. We have divided it up by commodities, with commodity-licensing experts handling various commodities. They have a work sheet where they make up the amount of the allocation and then a work sheet of the total applications. If it runs greatly over that amount, then an estimate is made as to how they will divide the licenses among those people and, where it is a complicated case, we do call in advisory committees from these panels.

Mr. MCKINNON. I wonder if you could furnish us the names of the men who handle these export licenses and what their background was before they came into the Government, what their interests were and who they worked for?

Mr. BELL. Do you want that for all of our licensing officers?

Mr. MCKINNON. Mainly those handling these competitive cases.

Mr. BELL. I can give you the full list, but if you wanted a full Form 57 report on some 600 people it would be quite a task for us.

Mr. MCKINNON. I would rather have the heads of each one of these departments. I would like to see the background of the men making these decisions.

Mr. BELL. I will be happy to provide it.

(The information above referred to appears at p. 171.)

Mr. MCKINNON. How do you account for the fact that the only ones here objecting to a continuation of our export controls are small processors, and small packers? Apparently the big ones are not interested enough or are not here. At least they are not protesting the continuation.

I know from experience that the small men often do not get as good a break as the big man.

Mr. BELL. Well, as Mr. Blaisdell testified the other day, we have endeavored to give the fairest consideration to all groups, large or small. Mr. Blaisdell testified that he personally—and I, also—have personally insisted that the so-called small people be given adequate and full consideration. I might say, in that connection, Mr.

McKinnon, that when you talk of small business in connection with the export trade I think, by and large, you would classify all merchant exporters or brokers as small business.

The main problem and the issue today arises between the manufacturing or producing exporter and the merchant exporter, and there is a feeling, at times, that there is not a fair distribution as between those people.

Now, again, there is no slide rule you can use to determine exact amounts when there is great oversubscription, but I can assure you that we have used every endeavor to be as equitable as possible.

Mr. McKinnon. How do you account for the fact that the small plants and processors are here protesting the continuation of these controls whereas the larger ones are not?

Mr. Bell. I cannot account for that except that, of course, every small producer and merchant exporter would like to get more business and their associations may feel strongly about it. As I say, generally they have admitted that there should be an extension of controls. Their complaint is on the administration of the controls.

Mr. McKinnon. That is all.

Mr. Brown. Mr. Mitchell.

Mr. Mitchell. No questions.

Mr. Brown. Mr. O'Hara.

Mr. O'Hara. No questions.

Mr. Brown. Thank you very much, Mr. Bell.

Mr. Dressler, do you desire to testify now?

Mr. Dressler. Mr. Chairman, if you care to hear me immediately after lunch, it will be all right with me.

Mr. Brown. You may be the first witness at 3 o'clock. But we can hear you now until the bell rings.

Mr. Dressler. I will be back here at 3 o'clock, Mr. Chairman.

Mr. Brown. If it suits you just as well, we will hear you now.

Mr. Dressler. Thank you.

STATEMENT OF GEORGE R. DRESSLER, SECRETARY, NATIONAL ASSOCIATION OF RETAIL MEAT DEALERS

Mr. Dressler. My name is George R. Dressler. I am executive secretary for the National Association of Retail Meat Dealers. I am appearing here today in behalf of the retailers not only of our organization but of the entire country.

Export controls on fats and oils have seriously affected not only our retailers but our consumers as well. The waste fats and bones that the retailer accumulates in the course of his fabrication of carcasses represents a substantial portion of the return he receives from his original purchase of such carcasses.

The surplus of fats and oils in this country, because of present export controls, has caused the price that the retailer receives for this commodity to drop considerably.

I might refer, at this time, to the response we receive not only from the men who handle our own rendering plants, but from the large renderers as well. When the small retailer complains about the price he is receiving for salvage fats and oils—some are edible fats as well—we are told that the large soapers are refusing to buy and therefore they have beat the market down to such a point that we receive very little for our salvage fats. We are constantly told that the three large soapers are the ones that are controlling the price that is paid for the rendered fats and oils, which of course, we realize a turn on.

As a retailer he must rely on the return from waste fats and bones to pay a portion of his operating expenses. When such returns are curtailed, many retailers often find it necessary to make an upward adjustment of price on the cuts of meat sold to consumers. This is an obviously unhealthy situation, but a perfectly natural one.

Yesterday Mr. Mitchell asked about the fat salvage program. Officially, the fat salvage program has ended, although there are many localities and many people who are still returning their salvaged kitchen fats to the retailer for which they receive a few cents a pound from the retailer, and of course he in turn receives a few cents a pound from the renderer.

Now, I think it is very important, and I think it has an important psychological effect on the consumers, if we tell them that we have so much fats and oils now that they can pour their excess fats and oils down the sink. At a time when we are preaching economy and saving, here we are advocating waste.

Another point I might make is this: That those salvage fats are brought into the retail shops, in many instances, by Boy Scout groups, children's clubs, and so forth, who collect them in the neighborhood, bring them to the retailer, and what they receive for it goes into their meager little treasury perhaps for some of the conveniences and games and things that they enjoy at these little clubs, and so forth.

It also means, in many instances, to some of the consumers, that those few cents a pound mean a cost reduction of the meats.

Mrs. Woodhouse yesterday asked about the effect on the consumer. The low prices which we receive from our salvage fats and bones which we sell to the renderer, the low price at which lard is sold. Some of the testimony brought out yesterday pointed out that the price of lard affected the costs of other retail cuts of meats, and that is very true; and that is one of the reasons why perhaps we have not seen greater reductions in the price of meats.

We have also heard talk about stock piles. I do not know whether I am in a position to go into a discussion on that, but I know from our own rendering plant, and as a retailer, that there is no place where we can stock-pile any great amount of fats and oils. We must move it as fast as it accumulates.

We are told constantly that the European countries need foods that are high in caloric content, and fats and oils are certainly rich in calories. I know many of our customers are buying lard and things to send to their friends in Europe, and it seems as though if the controls on exports of some of these things were lifted that there would just be a natural flow to them, which would also help our price situation here.

For example, price quotations on the Chicago market for yellow grease, an important fat product, were $7.75 per hundred pounds this January 25, as against $24.50 per hundred ponnds at peak prices in January a year ago. This represents a decline of 68 percent.

While such declines represent a very important factor at present, we think it will be even more important in the months to come. As you gentleman all know, the last year produced a bumper corn crop. This corn will again appear in the form of finished beef and pork. The heavier feeding of corn to livestock will result in additional amounts of fat on these animals. This will represent higher quality meat, which will add further to our surplus fat supply, if current export controls are continued.

As fatter cattle and hogs reach the market this spring, there will be additional accumulations of fats and possibly a further substantial break in price. Therefore, we strongly urge that controls on the exportation of fats and oils be eliminated.

That is all I have, Mr. Chairman.

Mr. BROWN. Does any member desire to interrogate the witness? If not, thank you very much, Mr. Dressler.

Mr. Gregory, do you want to proceed now, or do you wish to wait until 3 o'clock?

Mr. GREGORY. At your pleasure, Mr. Chairman. I am ready to proceed now or later, just as you prefer.

Mr. BROWN. If you want to proceed now, you may go ahead.

STATEMENT OF A. L. DURAND ON BEHALF OF THE NATIONAL COTTENSEED PRODUCTS ASSOCIATION PRESENTED BY T. H. GREGORY

Mr. GREGORY. Mr. Chairman and members of the committee, I am representing Mr. A. L. Durand. My name is T. H. Gregory. I am executive vice president of the National Cottonseed Association, an organization whose membership includes more than 90 percent of the cottonseed crushing mills of the United States.

Such mills process the cottonseed crop into four principal products: cottonseed oil, cottonseed meal, cottonseed hulls, and cotton linters. Cottonseed oil is an edible fat, principally used as salad oil, in vegetable shortening and margarine. Cottonseed meal is a concentrated high protein feed for livestock. The uses for the other products of cottonseed need not be enumerated here.

My instructions are to ask for the elimination of oilseeds and their products from export controls, whenever the Secretary finds the supply exceeds the need for domestic consumption.

A huge surplus of edible oils and protein meals now exists in this country. The production of edible oil from the 1948 crop of cottonseed and soybeans alone, without considering other edible oils, will exceed the production from the 1947 crop by 600,000,000 pounds.

We estimate that production of protein meal from the 1948 crop of cottonseed and soybeans alone will exceed the production from the 1947 crop by at least one and a quarter million tons, which results in a huge surplus.

According to the United States Department of Agriculture reports, exports of all edible fats and oils from the 1947 crop were 659,500,000 pounds; exports for the first 2 months beginning October 1, 1948—the only figures yet available—were 125,100,000 pounds, according to the same source. At this rate the exports for the current year would total 750,600,000 pounds. This would result in a surplus at the end of the year of over 500,000,000 pounds. Any increase in the production of lard or other fats will increase this surplus.

The effect of the weight of these large supplies is as follows: In May 1948, cottonseed oil sold for more than 40 cents a pound at the mills. Five months later, in November 1948, at about the peak of cottonseed marketing, cottonseed oil sold at 20 cents per pound at the mills. Saturday of last week the price was 13¾ cents, which is less than the last OPA ceiling price.

Cottonseed meal from the 1947 crop sold at a high of about $100 per ton. By November 1948, the price had declined to about $80 per ton and the current price is about $58 to $60 per ton. On January 1, 1949, according to the Bureau of the Census reports, about 500,000 tons of cottonseed were yet to be marketed. Both the processors, who have bought the bulk of the crop, and the farmer, who has not yet marketed all of his cottonseed, are faced with ruinous losses.

The only relief from these burdensome surpluses, in our judgment, is through greatly increased exports. Unless such are secured we foresee that the price for oilseeds will decline so much further as to seriously affect the national economy.

Both the Secretary of Commerce and the Under Secretary of Agriculture testified before your committee that there is urgent need for oils and fats abroad. The huge surplus of these commodities and of protein meal indicates the need for exports. Therefore, we repeat with the strongest emphasis that there is no necessity for the retention of export controls on these commodities while such surpluses exist and we respectfully urge that you amend the proposed law which is under consideration to provide the relief for which we petition.

Mr. Brown. Does any member desire to interrogate the witness?

Mr. Mitchell. I would like to ask a question, Mr. Chairman.

Mr. Brown. Mr. Mitchell.

Mr. Mitchell. That is in regard to the price of the cottonseed meal. Can the livestock industry afford to feed cottonseed meal at $100 a ton?

Mr. Gregory. I would not be able to know what they can afford, but I would state, speaking personally, that $100 a ton is too high for cottonseed meal and we do not want to see $100 cottonseed meal.

Mr. Brown. Some of your cottonseed meal now goes into fertilizer, anyway, does it not?

Mr. Gregory. A very small part goes to fertilizer.

Mr. Mitchell. There has been a shortage of hay in the West this year, and I have heard livestock men say that they could not afford cottonseed meal to supplement the hay supply. I am just wondering what would be a reasonable price for that particular use.

Mr. Gregory. I do not think our industry would want to see $100 cottonseed meal.

Mr. BROWN. Does any other member have any questions? If not, thank you very much, Mr. Gregory.

Mr. Strayer, you may proceed with your testimony next.

STATEMENT OF GEORGE M. STRAYER, SECRETARY, AMERICAN SOYBEAN ASSOCIATION

Mr. STRAYER. Mr. Chairman and members of the committee, my name is George M. Strayer. I am secretary of the National Soybean Association, which is the national growers association in the soybean industry. I am also a producer of soybeans on my own farm.

In that capacity I would like to call to the attention of the committee the following items:

(1) Soybeans now supply approximately 40 percent of all the protein meal used in the livestock, dairy, and poultry production economies of the United States.

(2) Soybeans supply approximately 60 percent of all the vegetable protein meal used in the United States for both industrial uses and livestock feeding.

(3) Soybean oil makes up about 50 percent of all the oil used in the production of vegetable shortenings in this country; it comprises approximately 40 percent of the oil used in the production of margarines, and about 15 percent of all the salad oil used.

(4) In the period between 1938 and 1948 the production of soybeans in the United States increased from 61,906,000 bushels to 220,000,000 bushels per year.

(5) Soybeans have now become an integral part of Midwest and Midsouth agriculture, where they utilize the equipment and manpower and tillable land to greatest possible advantages.

(6) As a result of this increase in soybean production, the United States has become self-sufficient in edible fats and oils and in recent years has been producing a surplus beyond our own needs. This is in direct contrast to our position 10 years ago, when we were importers of fats and oils and relied on other parts of the world for our supplies.

(7) The 220,000,000-bushel soybean crop in 1948 has had a very depressing effect upon all fats and oils markets because it has created a surplus far beyond our own needs. Through the war years farmers were urged to sell their soybeans directly from the combines, and they did so. Since the war governmental officials and private traders have encouraged farm storage of the crop.

It has been estimated that 35 to 40 percent of the 1948 crop was held by growers on January 1, 1949, and the figures released yesterday bear that out.

During the last 12 months soybean prices have gone from about $4 per bushel to less than $2.30 per bushel and soybean oil has declined from well above 30 cents per pound to 13 cents per pound to where it is now the cheapest edible oil available at any place in the world.

(8) The supply of fats and oils in the United States is now beyond our own needs and is being held here by our present system of export controls at a time when the surplus fats we hold are badly needed in

other parts of the world. European countries, as well as some of the Western Hemisphere countries, are greatly deficient in fats and proteins. They have nearly adequate supplies of carbohydrate foods.

The needs for fats and oils in other countries comes in the winter months. Last year we pointed out to the Government officials the tremendous supply of fats and oils which was building up and the tremendous soybean crop and the fact that the other countries' need came in the wintertime. We pointed out that if those allocations should be made they must be made in the period of need, when we had that surplus available. Yet there has been that lag between the time when the surplus has been built up and the time allocations were granted which we cannot condone.

(9) The large 1948 crops of soybeans and cottonseed alone have produced more than 600,000,000 pounds more edible oil than was available from the 1947 crop on those commodities. This does not take into consideration other fats and oils on which surpluses are building up at the same time.

Mr. BROWN. Where did you get those figures? There has been some dispute about that.

Mr. STRAYER. These figures are based on the normal production of soybean oil per bushel of soybeans and the normal production of cottonseed oil per ton of cottonseed and on the 1948 crop figures—the Department of Agriculture figures as compared with the 1947 figures from the same source.

Mr. BROWN. And how much is it this year?

Mr. STRAYER. Approximately 600,000,000 pounds, from soybean and cottonseed, more than was produced from the 1947 crop on those two commodities.

Mr. BROWN. All right. Go ahead.

Mr. STRAYER. This does not consider other fats and oils, on most of which the 1948–49 production is also greater.

(10) Soybeans today are selling at and below the support price, and soybean oil is selling at and below the last OPA ceiling price. This comes at a time when the prices of the things the farmer buys are far above OPA price levels.

And I want to point out again that approximately 40 percent of the soybean crop is still held by the farmers.

Recognizing that there are political implications in world trade which must be observed, that political expediency will not allow free and uncontrolled export of critical commodities to all parts of the world, even if in surplus, the American Soybean Association recommends the following:

(1) The Maybank bill, S. 548, or the House companion bill, should be amended to provide that exports of all types of vegetables and animal fats and oils and oilseeds to Western Hemisphere—North and South America—countries and to countries participating in the ECA program shall not be subject to export-control authority.

(2) We also recommend that final approval of export allocations on fats and oils be placed in the hands of the Secretary of Agriculture and that he be given full authority to grant such export allocations as he sees fit whenever he finds fats, oils and oilseeds in surplus in the United States.

Mr. BROWN. Does any member desire to interrogate the witness?

Mr. MITCHELL. I take it that it is your opinion that the lag of which you spoke occurs because of the fact that the authority is not in the hands of the Secretary of Agriculture?

Mr. STRAYER. We think that is a contributing factor, yes. The lag between the time the surplus becomes apparent and the time the allocations have been granted has been too long.

Mr. MITCHELL. The Department of Agriculture indicated here that they move as quickly as those figures come to them. Do you have any opinion as to how that lag can be taken up?

Mr. STRAYER. I recognize that a period of time must elapse in which to compile those figures. I am not familiar enough with the way those figures are compiled to make a suggestion on it, sir.

Mr. BROWN. Where do you reside?

Mr. STRAYER. At Hudson, Iowa.

Mr. TALLE. I want to say to Mr. Strayer, as a fellow Iowan, that I am very happy to have him here.

Mr. STRAYER. Thank you, sir.

Mr. BROWN. I would like to place in the record a letter from the National Council of Farmer Cooperatives addressed to me by the executive secretary which says:

Hon. PAUL BROWN,
House of Representatives, Washington, D. C.

DEAR MR. BROWN: The National Council of Farmer Cooperatives believes that H. R. 1661 should provide for the exemption of fats and oils from export control to friendly nations.

The world has record crops of cottonseed and soybeans, according to Government reports, and the United States is importing much larger quantities of oils and oil materials than prewar. Likewise, lard and tallow are backing up to the point where prices are now out of line with the normal ratio to live animal prices. The present price of lard reflects a 10- or 11-cent price for hogs.

The lower prices of fats resulting from slow market movement do not reach the consumer, since low-priced animal fats are not closely trimmed from retail meat cuts. Under such conditions producers have to sell livestock at a lower price in order for the price to cover the cost of the carcass. As a result, fewer pounds of fats are being recovered separately and the over-all supply may be greatly reduced if the present situation continues.

I also have a telegram from the American Farm Bureau, which has already been placed in the record by Mr. Talle earlier this morning.

I understand that there was inserted in the record yesterday a letter from the National Cotton Council to Mr. Spence, chairman. If it was not, I will ask that it be inserted.

We will adjourn until 3 o'clock this afternoon.

(Whereupon, at 12:40 p. m., the committee adjourned to 3 p. m. the same day.)

AFTERNOON SESSION

The CHAIRMAN. The committee will be in order.

Our next witness will be Mr. Russell B. Brown, representing some petroleum interests. Do you have a prepared statement, Mr. Brown?

Mr. BROWN. Yes, sir.

The CHAIRMAN. You may proceed with your statement without interruption.

Mr. BROWN. Thank you.

My name is Russell B. Brown. I am general counsel of the Independent Petroleum Association of America, which is a national association consisting primarily of producers of crude petroleum operating within the United States.

In June 1947 we appeared before a subcommittee of the Senate Judiciary Committee, at which time we said:

> We ask as to the materials and the equipment required to conduct the oil industry of the United States that no extension of authority to control or order preferential use be granted beyond June 30, 1947.

Our position on this matter has not changed.

The law was extended. It did express the philosophy that it should not be used so as to depress or injure the domestic economy and that administrative caution was to be used so that the congressional intent would be carried out.

It has not worked that way in respect to essential materials used by the oil-producing industry. Standards and formulas were adopted by the agency in charge of the application of controls in disregard and, in fact, in ignorance of the needs of the domestic oil-producing industry.

No effort seems to have been made by those who administered the export control law to ascertain the requirements of independent producers for steel tubular goods. One of the officials of the Department of Commerce told a committee of Congress that the consultations on this subject were with oil companies who operate abroad as well as in the United States, as they were considered to be the best judges of where tubular goods were most needed.

In other words those who were asking for export permits were the ones consulted as to whether or not it would be injurious to the domestic producer.

Since the war, export controls of oil tubular goods (casing, tubing, drill pipe, and line pipe) have been administered in a manner that has been highly injurious to the domestic oil-producing industry.

Despite the fact that Congress continued export controls for the purpose of protecting domestic industry in regard to commodities in short supply, the exports of oil tubular goods were permitted to increase sharply in regard to commodities in short supply, the exports of oil tubular goods were permitted to increase sharply in 1947 and 1948.

Shipments of these materials to foreign areas totaled 330,000 tons in 1947 and about 360,000 tons in 1948. These large volumes compare with 180,000 tons in 1946 and only 64,000 tons per year in the prewar period 1935–39.

I will comment on the effect that had. We have just finished a survey of our oil producers, which shows that in 1941, before the war, we were getting 92 percent of our oil goods through normal channels, that is through the supply houses of the steel people.

In 1948 this was reduced to 61 percent through normal channels. The rest of it we had to go into the gray mart for, and into secondhand pipe, and into conversion in order to meet the requirements we found to be necessary to meet the demand for oil in the United States.

The facts indicate that export controls, instead of being employed as a protection to the domestic industry, were actually used as a means to stimulate exports to unprecedented rates.

It was the testimony of executives of 11 large steel companies before the Steel Subcommittee of the Senate Small Business Committee on September 12, 1947, that a substantial amount of the steel exported has been in accordance with Government directives.

This is one of several manifestations that the executive branch of the Government during past several years has pursued the philosophy that foreign development of oil reserves should be given preferential treatment over the domestic oil industry.

The net result of this course is that during the past 10 years the Nation has shifted from a net exporter of petroleum in the amount of 355,000 barrels per day to the present position of a net importer by the amount of 200,000 barrels per day, an adverse shift of over 500,000 barrels per day.

Export controls over steel for the petroleum industry have been leading the Nation to a position of depending on foreign oil—a position that is dangerously vulnerable to enemy action as was so convincingly demonstrated during World War II.

During the past 3 years our association has made repeated appeals for relief to the Department of Commerce, Department of State, and to the Department of National Defense.

Based upon this experience it is our opinion that in order to encourage good administration the Congress should write into the law necessary limitations and precise standards to be followed.

As a guide to Congress in developing the proper standards there is a recent expression from the petroleum industry which should be helpful. In response to a request of Secretary of Interior Krug, the National Petroleum Council, the official oil industry advisory group to the Federal Government which represents the entire industry including the American companies interested in foreign oil reserves, recently recommended that a proper national oil policy for the United States [reading]—

should maintain conditions, within the free-enterprise system, most likely to assure adequate supplies of essential materials equitably available to all units in the industry in both peace and war.

Continuing supply to meet our national oil needs depends primarily on availability from domestic sources. Due consideration should be given to the development of foreign oil resources, but the paramount objective should be to maintain conditions best suited to a healthy domestic industry which is essential to national security and welfare. To this end, adequate and equitable availability of essential materials is a fundamental requisite.

All in industry agree—including those companies interested in the development of foreign oil reserves—that our first line of defense is the domestic industry.

If export controls are to be continued, therefore, it is our recommendation that the bill before this committee be amended so as to require the agency administering export controls of steel pipe to recognize the essentiality of the domestic petroleum industry as a priority source of supply of the petroleum and petroleum products requirements necessary to the national security; and that in order to protect the domestic petroleum industry and to avoid abnormal or disproportionate exports of oil field steel tubular goods, some one specific agency, perhaps the Oil and Gas Division of the Department of the Interior should determine, after consultation with the petroleum industry, the maximum quantity of such goods that may be exported.

It is felt that the responsibility for fixing this maximum limit should rest squarely and clearly at a given point and not be nebulously spread over an interdepartmental committee remote from the problems and the individuals affected.

That has been of extreme irritation to our industry—to find a source of responsibility. I can illustrate that by this fact: One of the largest export orders was for pipe to build a pipe line, which was a transportation convenient to the companies affected, and didn't add any oil to the world supply at all. It was already transported by tankers.

They gave them a permit to export that steel, although the company which was operating it was later discovered, did not even have a permit to lay the line across some of the countries the line had to cross.

In other words, they started the line, and ended up somewhere in the desert, with uncertainty as to when, if ever, it could be completed.

Up to this point I have confined my remarks to the effects that export controls have had on shipments of steel materials for oil and gas use. There is another important aspect of the problem, however, and that is the question of controls over oil itself.

Exports of crude petroleum and refined products are being restricted by quotas established under the export control authority.

The occasion for such restrictions does not exist at the present time as far as the supply of oil is concerned. It may be that there will be some necessity for control as to the destination of this oil.

That is, you might want to say that oil should not be sent to certain countries, but so far as the supply is concerned, there is no longer any necessity for controls. We have plenty of oil here now.

In fact the reverse is true. If the purpose of the bill before your committee is to protect the domestic economy and further and protect the national security, this purpose would be served most directly by a control over imports of oil rather than over oil exports. Our welfare and safety are in jeopardy from unreasonable imports and a curtailed market for the domestic oil industry.

Prior to World War II the domestic petroleum industry under a congressional policy enunciated through various legislative acts, was encouraged to proceed in its normal way in developing the petroleum resources of the Nation with the result that at the beginning of the war the industry had built up a reserve producing capacity of approximately 1,000,000 barrels per day above requirements.

Fortunately this reserve was readily available for emergency needs and was not subject to interruption by enemy submarines.

Due to wartime curtailment of normal expansion this reserve capacity was absorbed. However, the industry during the past year ably demonstrated its ability to rebuild this needed reserve capacity if it is not limited by artificial restriction that is now being mposed by a flood of imported oil.

As a result of the flood of imported oil the oil States of Texas, Oklahoma, and Kansas, during the past 2 months have cut back production allowables by approximately 350,000 barrels per day or a reduction of more than 6 percent of our total production. So, instead of being encouraged to proceed in building up this needed reserve the industry is being curtailed.

The growing seriousness of this problem is demonstrated by the following action taken Wednesday of last week by the Corporation Commission of the State of Oklahoma in adopting the following resolution:

Now, on this the 26th day of January 1949, the Corporation Commission of Oklahoma, being in executive session, there comes on for discussion the problem of the oversupply of oil in Oklahoma and in the United States and the necessity for restricting the production of oil in Oklahoma, in order to prevent waste and to keep the production within the market demand.

Whereas it appears that stocks of crude oil and refined products have increased 105,000,000 barrels in the past year, and that the stocks have reached the point where production of oil in Oklahoma and the United States must be decreased because of lack of storage facilities; and

Whereas the storage of crude oil above ground in abnormal amounts results in above-ground waste of Oklahoma's greatest natural resources; and

Whereas it appears that imports of crude oil into the United States have increased approximately 150 percent during the past year and that presently approximately 600,000 barrels of crude oil is being imported daily into the United States; and

Whereas the importation of crude oil into the United States in such amounts is directly responsible for the building up of the abnormal amount of stocks of crude oil and refined products on hand; and

Whereas Oklahoma has been forced to decrease the allowable production of oil in the approximate amount of 40,000 barrels daily, on account of the abnormal supply of oil above ground which has been caused directly by the importation of excessive amounts of crude petroleum from foreign countries; and

Whereas the importation of crude oil from foreign countries is a direct threat to the stability of the oil industry in Oklahoma and throughout the Nation and to the tax structure in Oklahoma in that the State of Oklahoma has 5 percent interest in all oil produced within the State of Oklahoma; and

Whereas unless the importation of crude oil from foreign countries is materially decreased, Oklahoma and other producing States will be forced to further curtail the allowable production of oil within the respective producing States: Now, therefore, be it

Resolved, (1) That the Corporation Commission of Oklahoma, being the State agency charged with the responsibility of fixing the allowable production of oil in Oklahoma, is of the opinion that the importation of crude oil from foreign countries to the United States, should be drastically curtailed until such time as there is a need for the importation of crude oil to take care of the market demand for crude oil within the continental United States.

(2) That the congressional delegation from Oklahoma should do all in its power to bring to the attention of the United States State Department the condition that now prevails in Oklahoma and other oil-producing States in the United States.

(3) That a copy of this resolution be furnished to each Member of the congressional delegation from Oklahoma and to the Secretary of State, Washington, D. C.

Signed, this the 26th day of January 1949.

As a further indication of the widespread concern of this problem, at a meeting of the executive committee and State vice presidents of our association held last week in Wichita Falls, Tex., the following statement was adopted:

An increasing flood of foreign oil is jeopardizing our national economy, our national security, and resulting in the unemployment of American labor.

Two world wars have proved that America cannot depend on foreign oil in an emergency. Foreign oil, thousands of miles away in troubled areas and under the insecure control of a combination of a few importing companies, is a slender thread on which to hang the security of the American people.

Domestic-oil producers, since the war, have increased the production of crude oil in the United States until they are now more than able to supply every need of the American consumer. The output of domestic oil can be further increased. It will not be increased if this market is absorbed by foreign oil, thus depriving the independent oil producers of the funds necessary to discover and develop adequate reserves in the United States.

The few large importing companies through shortsightedness, indifference, or selfish interest are endangering the national security in their wish to produce and sell their foreign oils in the markets of this country. Most of their foreign reserves are in the Middle East, less than 2 hour's bombing time from Russia.

This revival of international cartels, which owe allegiance to no country, should not be permitted to monopolize or destroy American life.

The Independent Petroleum Association of America insists that the Congress should protect the welfare and security of the American people by enacting such legislation as is necessary to restrict petroleum imports to only such quantities as may be needed to supplement domestic production.

We feel that at this time the matter of foreign petroleum trade, involving both exports and imports, is the most serious problem confronting the independent oil producer.

Since the problem involves a commodity essential to our national security, we feel it is a matter that should have the consideration of Congress wherever the question of foreign trade in oil is involved.

In approaching the problem, the Congress, here again, has a guide in the National Oil Policy for the United States, recently adopted by the National Petroleum Council, which deals squarely and clearly with this very issue. The pertinent provisions are as follows:

The Nation's economic welfare and security require a policy on petroleum imports which will encourage exploration and development efforts in the domestic industry and which will make available a maximum supply of domestic oil to meet the needs of this Nation.

The availability of petroleum from domestic fields produced under sound conservation practices, together with other pertinent factors, provides the means for determining if imports are necessary and the extent to which imports are desirable to supplement our oil supplies on a basis which will be sound in terms of the national economy and in terms of conservation.

The implementation of an import policy, therefore, should be flexible so that adjustments may readily be made from time to time.

Imports in excess of our economic needs, after taking into account domestic production in conformance with good conservation practices and within the limits of maximum efficient rates of production, will retard domestic exploration and development of new oil fields and the technological progress in all branches of the industry which is essential to the Nation's economic welfare and security.

The industry agrees—including the importing companies—that as a national policy imports should be used only to supplement domestic production, not to displace it.

We, therefore, recommend that the committee amend the pending bill so as to provide that imports of petroleum and petroleum products be limited to such amounts as will not endanger the Nation's security and economic welfare, and to provide that imports shall be used only to supplement domestic production in meeting our national petroleum requirements.

That is all I have, Mr. Chairman. Thank you.

The CHAIRMAN. Are there any questions? If not, you may stand aside, Mr. Brown. Thank you for your very helpful statement.

Our next witness is Mr. Gilliam.

Will you identify yourself, Mr. Gilliam, and proceed?

STATEMENT OF A. W. GILLIAM, WASHINGTON REPRESENTATIVE OF THE AMERICAN MEAT INSTITUTE

Mr. GILLIAM. My name is A. W. Gilliam. I am the Washington representative of the American Meat Institute. The institute is the trade, educational, and research organization of the American meat-packing industry, with about 600 members in meat packing, sausage manufacturing, and meat canning.

I may say that I was not here, but I understand one of the committee asked why the large packers had not appeared here, and that apparently only the small packers had appeared. The institute represents both large and small concerns in the industry.

In these operations the industry produces large quantities of animal fats and oils, both edible and inedible.

The Departments of Commerce and Agriculture have not made adequate allocations in terms of the domestic supply and demand in our foreign markets of the Western Hemisphere and the Marshall-plan countries of Europe. Lifting of these controls, or substantial relaxation of them would be of considerable help. Our traditional markets in these countries would take considerably larger quantities of these products if the industry was allowed to export them without allocations or licenses. The demand is real and these outlets are needed badly.

Economic Cooperation Administration countries are in dire need of our fats and what can be moved to them should be moved. The amounts that can be exported are necessarily limited by the dollars available, in the case of Europe, and by the capacity to consume in the Western Hemisphere, and, we believe can be spared from our domestic surplus.

Hog production is increasing. The 1948 pig crop was about 8 percent larger than in 1947, and an increase of 14 percent is indicated for the next spring farrowings. In addition to stimulating an increase in the number of hogs raised, record feed supplies are encouraging the finishing of hogs to heavy weights, and lard yields now are running near record levels.

The 1948 spring pig crop has moved to market a little earlier than normal, so that there may be some drop-off in receipts, compared with a year ago, during February and March. But in the spring and summer months, April to September, hog slaughter is expected to total 8 to 10 percent larger than a year ago. The 8-percent increase in the 1948 fall pig crop, plus increased marketings of packing sows, resulting from the expansion in spring farrowings, point to substantially more hogs for slaughter in this period than in 1948. Hog supplies in the final quarter of the year will reflect the indicated large increase in this year's spring pig crop. Slaughter under Federal inspection during October to December tentatively is estimated at 17,000,000 head, which would be the second largest slaughter on record for the quarter.

The average live weight of hogs slaughtered under Federal inspection during the 1947–48 marketing year was 250 pounds. Although a little lighter than a year earlier, this average weight was 15 to 20 pounds heavier than prewar and was quite heavy in view of the relatively short feed supplies available in that year. It appears that there has been a marked trend toward greater efficiency of hog production throughout the country, and with feed supplies now abundant, hog weights are expected to be quite heavy in the current year. Consumer demand also appears to have shifted away from fat cuts of pork in recent years, and this will contribute to higher lard yields.

On the basis of these factors, production of lard under Federal inspection during the current calendar year 1949 is expected to total about 1,850,000,000 pounds, which would be 11 percent larger than a year earlier and 29 percent over the prewar 1939–41 average. It also would be double the low output of the mid 1930's.

Adding further to the domestic supply of fats and oils in 1949, are the large cottonseed and soybean crops harvested last fall. Production of crude cottonseed oil for the 1948–49 season is expected to exceed 1,600,000,000 pounds, which would be 29 percent over the previous year and 19 percent above the prewar average. It is generally expected that the 1949 cotton acreage will be increased considerably, which may add to the surplus situation in the 1949–50 season. The soybean croy of 220,000,000 bushels was the largest on record, and production of soybean oil probably will exceed last year by about 10 percent. Production of soybean oil has expanded sharply since the early 1930's, with the result that our annual supply of these three products—federally inspected lard, cottonseed oil, and soybean oil, now in roughly 1,500,000,000 pounds (40 percent) larger than was produced in normal years prior to World War II.

Domestic production of inedible tallow and grease in the current marketing year, beginning in October 1948, is estimated at around 1.9 billion pounds, which would be close to the previous year's figure but is approximately double prewar levels.

Factors contributing to this large production are: (1) The comparatively high level of livestock slaughter, and (2) the recovery of substantial quantity of greases through the fat-salvage program begun during the war. The principal use of these animal fats is in the production of soap. This demand for inedible animal fats has shrunk considerably because of the rapid introduction of synthetic detergents onto the domestic market.

Although the foreign situation with respect to fats and oils is still much below prewar standards, recent reports from foreign producing areas indicate a steady improvement in the production of these oils. Barring droughts and other factors adversely affecting production, it is probably that further substantial recovery in the world output of fats and oils will materialize by the end of 1950.

The CHAIRMAN. Do any of the members desire to interrogate the witness?

If not, you may stand aside, Mr. Gilliam. Thank you very much for your statement.

Mr. Estes, please identify yourself and proceed, please.

STATEMENT OF F. F. ESTES, EXECUTIVE SECRETARY OF THE COAL EXPORTERS ASSOCIATION OF THE UNITED STATES, INC.

Mr. ESTES. My name is F. F. Estes. I am executive secretary of the Coal Exporters Association of the United States, and I am also a representative of the National Coal Association, a Nation-wide organization of bituminous-coal producers in the country.

First, Mr. Chairman, Mrs. Woodhouse, and gentlemen of the committee, I would like to express the appreciation of our industry for the opportunity afforded us to appear here today. I might say that I have a little something in common with the distinguished chairman of the committee. I was born and raised in the State of Kentucky. I hope some time to go back there and retire, if I can ever assemble enough of the worldly goods. It is a great old State, just as the other 47 States are great States to their native sons and daughters.

As I said, I am executive secretary of the Coal Exporters Association of the United States, Inc., which embraces in its membership the preponderance of companies and individuals engaged in the exportation of coal and coke. Many of these exporters are also large producers of coal, and are members of the National Coal Association, the Nation-wide organization of coal producers, which I also represent.

We fully appreciate that certain safeguards must be set up to prevent shipments of American goods and commodities out of the country during periods when there is a scarcity of such goods for our own domestic needs, and are, therefore, in sympathy and accord with the general provisions of H. R. 1661, which would extend from February 28, 1949, until June 30, 1951, certain controls over the exportation of American goods. However, we should like to suggest that one or both of the following provisions be enunciated in the act to guarante to industry and exporters of America that a commodity will not be arbitrarily declared scarce when, as a matter of fact, a full and complete investigation might develop that the commodity is, in fact, not scarce.

1. That some provision should be made in the bill that before a commodity is declared to be scarce, a public hearing will be held by the administrative agency concerned with that particular product, and opportunity afforded parties engaged in that particular industry to appear and offer testimony designed to help the agency determine whether that particular commodity should be brought under rigid export control.

2. With respect to coal, which is now in more than ample supply, a definite standard should be incorporated in the bill by which to determine when coal should be declared a scarce commodity and subjected to more rigid export control.

With respect to suggestion No. 1, we should like to state that in June of last year, users of special-purpose coals, special metallurgical coals, and also retail dealers, became unduly concerned about obtaining a sufficient supply of these coals, and prevailed upon the Commerce Department to embargo any further shipments in the export trade of coals of a certain quality and falling within a certain analysis.

This matter was fully investigated by our people and these fears, which no doubt were honest fears, were found to be unwarranted. But it was only due to our explaining the conditions as they actually existed to Secretary of Commerce Charles Sawyer that the embargo of these types of coals was withheld. We feel that the industry itself should naturally, and does, know more about its own product than anyone else, and that it should be afforded opportunity to give the benefit of its wisdom and knowledge in a public hearing by the administrative agency before definite action toward embargoes or export control is taken.

With respect to suggestion No. 2, the unusually mild season has reduced normal current requirements for coal by a considerable tonnage; stocks of coal above ground and in the hands of consumers have increased to a supply that will last for 50 days.

With such conditions as these, any possibility of coal becoming a scarce commodity would seem exceedingly remote. However, we are not objecting to precaution being taken in enacting this legislation if and when there should be a scarcity of coal, provided that additional precaution can be incorporated in the bill to prevent an arbitrary, even though inherently honest, declaration being made that coal is scarce when in fact, a full and complete investigation would show otherwise. We would suggest, therefore, that it would be well to put in the bill a standard or yardstick that coal may not be considered a scarce commodity unless stocks of coal in hands of consumers in this country should fall below a 35-day supply, and even then, we feel opportunity should be afforded to present the facts at a public hearing before the proper administrative agency.

We should like it understood that we are not asking preferential treatment for the coal industry. We suggest these changes for coal, because that is the commodity we represent, and are familiar with, but we would not object to similar standards being set up for other commodities and goods if the producers or manufacturers of those goods take a similar view. We feel, however, that these recommendations should carry some weight, as coal is one of the prime exports tonnagewise under the European recovery program.

Your consideration of our views and suggestions would be most appreciated.

The CHAIRMAN. Does any member desire to interrogate the witness?

Mr. BUCHANAN. Mr. Chairman.

The CHAIRMAN. Mr. Buchanan.

Mr. BUCHANAN. What controls are there on coal at the present time?

Mr. ESTES. Export controls?

Mr. BUCHANAN. Yes.

Mr. ESTES. Only the Office of International Trade Controls, and they are more or less cut and dried. We have no difficulty obtaining an export license. We have to obtain an export license from the Office of International Trade to ship any coal overseas to the European recipient nations.

Mr. BUCHANAN. Are they on open-end quota basis?

Mr. ESTES. We are not anywhere near up to our quota.

Mr. BUCHANAN. You are under general licensing provision, are you?

Mr. ESTES. We are on the positive list. Of course, there was appropriated, as a result of the picture presented to Congress by the ECA, in which they said they would require $385,000,000, I think, for the current fiscal year to ship coal—that is American coal—to the recipient nations under the European recovery program.

We have shipped in the calendar year 1948, a little less than 20,000,000 net tons to the recipient nations under the European recovery proram, which is way behind the schedule for which ECA asked appropriation. And sometimes we are wondering as to where the money that has not been spent for coal which has been appropriated by Congress has gone. It has not gone for American coal. We are now trying to increase our coal purchases in this country for the European nations because coal is being purchased from Poland, which we feel is not anywhere near the quality of coal that we have, at a price that we believe will not compare with our coal, delivered to the receiving nations of Europe. And yet American dollars are being used for those purposes.

Mr. BUCHANAN. Has there been any change since September of 1948 with regard to the licensing provisions of coal?

Mr. ESTES. We do not have any difficulty in obtaining a license from the Office of International Trade. We have to get a license for each individual cargo, but apparently these licenses are granted without any difficulty. We do not have any difficulty.

Mr. BUCHANAN. It is your opinion, of course, that if production increases in Europe, coal could be taken from the positive list in this country in 1949?

Mr. ESTES. Well, we do not think it ought to be on the positive list now. We have all the coal in the world that we need here for all domestic consumers and are looking for export markets now. As I say, we do not object to the requirment that we must obtain OIT licenses, but we want to put in the bill—and I think we are making some concession when we come here and ask for an extension of the law—we are not speaking for other commodities, and we can anticipate nothing that would change the present condition—that we are not in a situation of scarcity with respect to our commodity.

Therefore, we feel that there is nothing, either now or anticipated, that might justify any controls over the export of American coal to European countries.

The CHAIRMAN. How does the domestic supply of coal compare with demand?

Mr. ESTES. With demand?

The CHAIRMAN. Yes, postwar.

Mr. ESTES. Postwar, Congressman Spence, we have plenty of coal. Now, there are, as you know, different types of coal. Your metallurgical coals and your coking coals, become scarce—and I use the word "scarce" in a general way—much quicker than your so-called steam coals. There was a time when we were pretty scarce of metallurgical or coking coals. But as the market recedes, the first coals to enter the buyers market would be the steam coals, and secondly the metallurgical or coking coals. And we have long since reached a buyers market, using the word loosely, but we are at least now in a position where we have an ample supply of coking or metallurgical coals, so that they can be shipped abroad and still we can retain adequate supplies for our own domestic needs.

The CHAIRMAN. Are there any further questions?

Mr. TALLE. Mr. Chairman.

The CHAIRMAN. Mr. Talle.

Mr. TALLE. Have you presented your views to the Department of Commerce?

Mr. ESTES. We presented them to the ECA and as I said in my statement, it was only through a conference of our committee with Secretary Sawyer that we were able to forestall an embargo which would have meant that no good coals could have gone from this country overseas.

I pride myself on being a rather good American, and I do not want to see any good quality goods leave this country that are needed in this country, but at the same time, in 1948—about June, I believe it was—there was a threatened embargo on coking coals in this country for overseas shipment, and we had ample supplies here and the steel mills were not buying any coals of ours. We had a surplus of those coals which could readily have gone into the European market to the extent that that market required them. They were not asking for a tremendous amount of that coal, and we felt that it should be allowed to move in that market, rather than take American dollars, and put them behind the iron curtain, and buy Polish coal which is not steam coal, using your dollar and our dollar in order to put that coal behind the iron curtain and into the Russian sphere of influence.

Mr. TALLE. Quoting from your concluding paragraph:

> Coal is one of the prime exports, tonnage-wise, under the European recovery program.

Mr. BROWN. Mr. Talle, if you will pardon me, as I understand it, they do not have any quotas for coal.

Mr. ESTES. We did have, yes, sir.

Mr. MULTER. There were.

Mr. BROWN. You have not had any for 3 or 4 months, according to my understanding.

Mr. ESTES. Well, we do not want any more. If there are going to be any quotas, we want to have something to present, to say whether or not quotas for coal should again be set up. We feel very keenly that an industry that is in the business knows a little more about its business than some administrative agencies, and I say that with all respect to the administrative agencies, which I am not here to criticize.

Mr. BROWN. Well, I guess you do.

Mr. ESTES. But we do not want some administrative agency to come up and say that we are going to reestablish quotas on coal. As a matter of fact, there is no necessity for reestablishing those quotas. And that is just what we suggest that the bill safeguard against.

Mr. BROWN. Have you read the bill?

Mr. ESTES. Yes, sir.

Mr. BROWN. That is all, Mr. Chairman.

Mr. TALLE. Referring to the brief quotation which I read a moment ago, Mr. Estes, what is the present tendency? Is there an increase in the quantity sent abroad, or a decrease, or no change?

Mr. ESTES. In 1947, we exported 43,000,000 tons of coal for the calendar year, and in 1948 we exported a little less than 20,000,000 net tons of coal.

Mr. TALLE. It has been cut down to less than half?

Mr. ESTES. Yes, sir.

Mr. TALLE. What means of shipment were used for sending this coal over?

Mr. ESTES. The 50–50 means. We apeared before a Committee on Merchant Marine the other day and objected very strenuously against it. We had to move coal in American bottoms at a $4 and $5 rate higher than that in foreign bottoms available in order to preserve our American merchant marine. I am just as much for preserving the American merchant marine in the world as anyone else, but I do not believe in giving a subsidy out of ECA funds for preserving the merchant marine when it ought to come out of the subsidy of the Treasury of the United States if it is going to have to be subsidized. And I think at some time you are going to have to subsidize it, because they cannot pay the wages they are paying to seamen and compete with foreign vessels.

That is the reason we have this competition. We compete very well today with Polish coals on a laid-down basis—not only with respect to the ton of coal itself, but even more with respect to the B. t. u.—the British termal unit—we can compete much better today, we are in a favorable position in the foreign market, that is, France and Italy, which take the preponderance of our export coals, if we could move it in foreign bottoms. But we are required under the act, the ECA Act, on which Mr. Hoffman tried to put a broad and liberal interpretation on January 1, which is now postponed until April 1, until Congress does do something to protect the American merchant marine.

That is the condition we labor under today. We have to ship 50–50; 50 percent of the tonnage in American bottoms, and 50 percent in foreign bottoms, which puts us in a pretty bad competitive position—that is, tonnagewise. But we can still lay down our coals cheaper on a British thermal unit basis delivered than any other nation. And we are buying these coals with American dollars from Poland and from other European producing countries.

That comes out of the taxpayer of America. We are spending that money. And we feel that if we are going to continue to subsidize Europe, then we ought to subsidize them by buying our own American goods and letting it come back into our Treasury through income taxes and other means, and thereby at least recoup some of it.

I personally doubt seriously if we will ever be able to recoup any more than that.

Mr. TALLE. I suppose it is too early to make any estimate about what the export trade will amount to this year, is it not?

Mr. ESTES. The coal trade?

Mr. TALLE. Yes.

Mr. Estes. I can give you what I think is a rather accurate estimate. This year it will probably not amount—unless we can get some change in certain regulations and programs—to over 10,000,000 tons. That is against 43,000,000 tons in 1947 and a little less than 20,000,000 tons in 1948. So we are dropping about 50 percent a year.

Mr. Talle. Roughly cutting in two each year?

Mr. Estes. Yes, sir.

Mr. Talle. That is all. Thank you.

The Chairman. Are there further questions?

If not, you may stand aside, Mr. Estes. Thank you for your presentation.

Those are all the witnesses we have on this bill. The committee will now adjourn, to reconvene tomorrow at 10:30 in executive session.

The following statements have been received and, without objection, will be inserted in the record.

Washington, D. C., *February 2, 1949*.

Hon. Brent Spence,
Chairman, House Banking and Currency Committee,
Washington, D. C.

Dear Mr. Spence: I quote below resolution No. 7 adopted at the Fifty-second Annual Convention of the American National Livestock Association at North Platte, Nebr., on January 13, 1949. I would appreciate it if you would place this resolution in the record of the hearings you are now conducting relative to the continuation of the export controls on fats and oils.

"Whereas the Federal Government is controlling the export of edible and inedible fats and oils regardless of abundant supplies;

"Whereas these controls have the effect of holding the prices of animal fats and oils below the normal relationship of prices of animal fats and oils to dressed meats and other byproducts; and

"Whereas the production of animal fats and oils is on the increase throughout the world and every indication of a pronounced increase of production in this country; be it therefore

"*Resolved*, That the American National Livestock Association go on record as earnestly protesting the continuation of present export controls and ask that animal fats and oils be placed on the general export license immediately to all Western Hemisphere nations and to European countries cooperating in the European recovery program, and that the export control authority to all such nations be terminated altogether in 1949."

Yours sincerely,

F. E. Mollin.

AMVETS National Headquarters,
Washington, D. C., February 1, 1949.

Hon. Brent Spence,
Chairman, Committee on Banking and Currency,
House of Representatives, Washington, D. C.

Dear Mr. Spence: Being aware that your committee is at present considering the question of export controls, I wish to transmit for consideration of the committee, the results of a poll sent to all AMVET posts in the United States on November 8, and closed as of December 15, 1948.

The Fourth National Convention of AMVETS directed that a resolution be sent out to all posts, calling for a "firmer regulation of export of vital products, so as to prevent unnecessary export of goods needed at home, and so as to direct exports to implement not only our foreign trade, but our foreign commitments, to maintain peace."

Approximately one-third of the AMVET posts throughout the country responded to this poll, and of that group 95 percent voted in favor of adoption of the resolution, and 5 percent voted against it. Results of this poll are regarded by AMVETS as being of such a significant nature, that it is requested that these facts be placed before your committee for consideration in connection with the disposition of the proposed legislation.

Respectfully yours,

ROBERT E. MCLAUGHLIN,
National Legislative Director.

NATIONAL FOREIGN TRADE COUNCIL, INC.,
New York, N. Y., February 1, 1949.

Reference: Continuation of Export Controls

Representative BRENT SPENCE,
Chairman, House Committee on Banking and Currency,
Washington, D. C.

DEAR SIR: During the hearings of your committee on H. R. 1661, we would appreciate your consideration of the recommendations given below which we ask to be included in the record.

At the Thirty-fifth National Foreign Trade Convention, held last November in New York and attended by some 2,000 delegates from various parts of the country, United States Government export controls were considered and recommendation XI of the final declaration of the convention was approved as follows:

"Foreign-trade controls: The convention recognizes that fulfillment of the purposes of the foreign policy of the United States may require the maintenance of certain temporary export controls. It urges, however, that such controls be held to an absolute minimum; that, in the implementation of such controls, account be taken of, and provision be made for, uncompleted orders already on the books. Where such controls are applied, they should be adequately policed to ensure their just and effective application; and any license applications should be dealt with promptly in order to eliminate or minimize delays in shipment.

"These controls should be subject to continuing review so that items whose retention on the 'positive list' is not absolutely necessary may be removed promptly. Any new regulations should be drawn in clear and understandable terms, in previous consultation with business representatives. These regulations should take into account the needs of American enterprises established abroad and the desirability of promoting the development of resources through the direct investment of American capital in foreign countries.

"Export-control regulations should not be so cumbersome and exacting as to stifle America's export trade in the effort to prevent abuses by a small number of exporters."

The National Foreign Trade Council has considered the matter of export-control legislation and endorses the position expressed in the above convention declaration. The Council further takes the position that the renewal legislation be no longer than June 30, 1950, so that Congress, before the expiration of that period, will review the continuation of such temporary emergency restrictions as may then be required. Any indication of continuing long-term control of exports by our Government would discourage efforts being made to obtain a world-wide reduction and removal of barriers to international trade, as well as the normal utilization of private channels of trade.

In order to restrict a very small group of irresponsible exporters, over-all controls on exports should not involve an unnecessary increase in paper work for all exporters. It should be borne in mind always that the vital export business of our Nation should not become unnecessarily handicapped in its normal operations because of the acts of a very small minority. For those found guilty of violating export-control regulations, prompt and maximum punishment would serve to eliminate the lawbreakers and act as a deterrent to others.

Respectfully submitted.

WILLIAM S. SWINGLE,
Executive Vice President.

UNITED STATES CHAMBER OF COMMERCE,
Washington 6, D. C., February 3, 1949.

Hon. BRENT SPENCE,
Chairman, Banking and Currency Committee,
House of Representatives, Washington 25, D. C.

DEAR MR. SPENCE: The Chamber of Commerce of the United States opposes the principle of export controls.

While national security is of paramount importance and the safeguarding of that security is the major reason for the continuation of export controls on highly strategic materials and industrial items to particular areas, we would like to make certain recommendations should your committee determine that the export-control authority be extended.

We have these comments to make regarding export controls, with particular reference to H. R. 1661, recently before your committee:

(1) While the bill calls for quarterly reports to Congress, we believe it does not make adequate provision for constant review of conditions by the administering agency with the view to liberalization of licensing requirements, simplification of procedure, and complete elimination of controls at the earliest practicable date. We recommend that such provision be made and that the authority be extended only until June 30, 1950. It is important that governmental departments and agencies act promptly in releasing controls on specific commodities as the supply situation improves.

(2) Care should be taken to see that actions and recommendations of interdepartmental advisory committees, as well as the administering agency, do not delay the return to normal prewar commercial trading practices in international markets by United States exporters.

(3) Free competition for available markets, as supply increases, should make it no longer necessary to direct exports. There is evidence that supply in many lines is rapidly catching up with demand. Hence the availability of dollars will govern exports from the United States. Business initiative, sales ability, service, delivery, supply and prices—on a free-enterprise basis—are the appropriate regulators of trade. Our Government should avoid attempting to determine who shall make the sale.

(4) Recognizing the tendency of Government agencies to attempt to justify their existence without due regard, perhaps, to the fundamental dangers of hampering normal operation of an important segment of the American economy, we urge that Congress require constant proof by the administering agency of efficient and economical operation, and of effective personnel utilization. The enactment of legislation extending export-control authority should not be considered justification for appropriation of funds for maintenance of an unnecessarily large administering organization.

This caution, we believe, is especially important in view of the broad authority given the administering agency, as detailed in the bill under the title of "Consultation and Standards."

I would appreciate it if you would make this letter a part of the record of your hearings on H. R. 1661.

Sincerely,

CLARENCE R. MILES.

LIST AND BACKGROUND OF HEADS OF DIVISIONS, SECTIONS AND BRANCHES OF THE OFFICE OF INTERNATIONAL TRADE, DEPARTMENT OF COMMERCE

Berg, Basil W., Acting Chief, Farm Machinery Section: $7,432.20

Graduate from University of Wisconsin with B. S. in agriculture. Major study in agricultural engineering; 6 months in training school of Oliver Chilled Plow Works to become familiar with company's products.

Fourteen years traveling in southern South America as company representative for the Oliver Chilled Plow Works which later was known as the Oliver Farm Equipment Co.; 3 years as owner-operator of farm machinery retail store in Marshfield, Wis.; 3 years in Washington in Board of Economic Warfare and successor agencies in Farm Machinery Section. Was Acting Chief of Section during last year that farm machinery was on positive list (during World War II); about 1 year with OPA in Price Department, Farm Machinery Section; about 1 year with Sears, Roebuck & Co. in farm division of Wisconsin Avenue store located in Washington, D. C.

Brosky, Alphonse F., Chief, Construction and Mining Machinery Section; $8,389.80

Graduate, Carnegie Institute of Technology, Pittsburgh, Pa., mining-mechanical engineer.

1921–34: McGraw-Hill Publishing Co., as technical editor, with involved observation and reporting on plant and machinery operation, chiefly mining and construction.

1934–38: With Jeffrey Manufacturing Co., manufacturer of processing and materials-handling equipment, as special engineer in charge of sales promotion.

1938–41: With R. C. Riebel Advertising Agency, Louisville, as account executive, dealing with marketing, public relations, and advertising.

1941–46: With WPB in various capacities, including (*a*) Chief, Program Section of Mining Division, dealing with mining and construction machinery (latter for open-pit mining); (*b*) Chief of Industrial Statistics Branch, Program Bureau, dealing with all industrial reporting records of Board; (*c*) in charge of developing all coal requirements for Board-controlled industries.

1946–48: With War Assets, real property disposal, in charge of sales promotion staff, dealing with problems of accelerating the disposal of all types of surplus industrial plants directly, and equipment indirectly, including petroleum refining.

Miscellaneous: Member American Institute of Mining and Metallurgical Engineers, and Engineering Society of Western Pennsylvania; lectured on mining and construction mechanization; served on occasion in consulting capacity for Du Pont, Westinghouse, and Portland Cement Association.

Concannon, Charles C., Chief, Chemical Division (international trade economist); $10,305

Harvard University, A. B., 1911.

Experience: September 5, 1922, to present: Department of Commerce, Bureau of Foreign and Domestic Commerce; Office of International Trade, as special agent; Chief of the Chemicals Division, economic analyst; Chief of the Chemical and Drug Division, and international trade economist (Chief, Chemical Division); $2,500 to $9,975.

1921–22 (6 months): Crystal Soap & Chemical Co. as representative selling soaps and chemicals; $50 per week plus expenses and interest in the business.

1916–21: Various companies of Dr. Jokichi Takamine in New York City and Tokyo, Japan. Export, import, manufacturing, drugs, chemicals, general merchandise business as director, manager, executive in organizing business, etc.; $7,200 per year plus expenses and interest in the business.

1911–16: Brewer & Co., Worcester, Mass., New England salesman handling heavy chemicals. $12 to $15 per day.

Curran, Laurence E., licensing officer; $6,235.20

Born Old Town, Maine, 1896; Old Town High School; University of Maine, 1914–16; Catholic University, 1916–18; B. S. engineering.

Experienced all phases of lumbering and millwork—paper making.

Second lieutenant, Forty-second Regiment of Coast Artillery Corps; United States Shipping Board; Maritime Commission, Europe, Africa, South America.

Superintendent of construction for the Whitney Co., New York City; Frank O'Hare Co., New York City; William F. Kinny.

Sales engineer, Masonite Corp., Chicago, Ill.; designer of concrete forms; sales, building materials.

Sales manager, United Floors, Inc., New York City; design and sales of long-span fireproof floor construction and building materials.

Purchasing agent, Walsh Construction Co.; charge of 20 purchasing agents; $130,000,000 of works.

Manager, timber operations in South American forest and mills; United States Engineers Construction Bureau, War Production Board; industrial specialist; construction and building materials.

Building materials price branch Office of Price Administration.

Price analyst, business analyst.

Nonresidential construction, Office of Housing Expediter; industrial specialist, Building Materials Section; Department of Commerce, licensing officer (OIT).

Due to my foreign experience I am consulted by other branches of the Department of Commerce and other departments and agencies of the United States Government on timbers of tropical America, their uses and United States market possibilities.

Davis, Kenneth Ross, Chief, Advertising, Printing and Publishing Section, General Products Branch, Commodities Division, OIT; $7,432

Education: 2 years at University of Buffalo. Subjects: English, economics, etc. Agriculture extension course, 1 year (night class).

Experience: Economic analyst in Department of Commerce from January 1943 to March 1948. Handled all matters pertaining to printing and publishing, printing machinery and a number of consumer goods type of commodities. Worked with other Government agencies on problems of both foreign and domestic trade in above-mentioned industries. Newspaper work as production manager and advertising salesman for years 1937 to 1944, with exception of a period of about 9 months spent in the Canal Zone as Assistant Director of Civilian Defense, the Panama Canal, Balboa, C. Z.

Delahanty, Thomas Washington, Associate Chief, Chemical and Health Products Branch; $8,150.40

Born in New York, N. Y. DeWitt Clinton High School in New York City. Cornell University, Ithaca, N. Y., 1913 to 1917 (B. C.).

1935–39: Washington College of Law (LL.B., LaSalle Extension Institution, accountancy.

1919–20: Industrial Extension Institution, New York; industrial management, 1921–22.

January 1948 made Associate Chief, Chemical and Health Products Branch, Office of International Trade, Department of Commerce.

January 1946–48, Associate Chief of Division.

1942–46: Chief of Unit.

1923–41: Assistant Chief Chemical Division.

1923–23 (January to May), industrial and management engineer, Ajax Tire & Rubber Co., New York City.

March 1922 to January 1923, proprietor, Argo Products Co., Hoboken, N. J. (visualizing the prospects for production and consumption of nonalcoholic extracts and flavors).

May 1921 to March 1922: Merchandizing systemmatizer, Abraham & Straus, Inc., Brooklyn, N. Y.

January 1921 to May 1921: Partner and chemical consultant, American Chemical Co., Newark, N. J.

July 1920 to January 1921: Chemical and dye trader, Dicks David Co., New York City.

July 1919 to July 1920: Manager, chemical trading department, J. E. McGoldrick Co., New York City (commodity brokers).

1918–19: Gass officer for USNRFC, Rockaway, N. Y. (training officer).

July 1917 to February 1918: Inspector of powder and explosives, United States Army, ordnance inspection, Dover and Carneys Point, N. J.

Dunning, Carroll W., Chief, Machinery and Motive Products Branch, Office of International Trade; $10,305

Born June 25, 1889. Graduated Peekskill Military Academy and Biltmore Forest College. Degree: Forest engineer. Major, United States Army with overseas service during World War I.

1919–22: Fort Motor Co., Detroit, Mich., as assistant to general manager for 3 years. In charge of production methods, sales, policy, procedure, and dealer organization.

1922–25: Dunning Motor Co., Portland, Oreg. One of the principal Ford dealers in the Pacific Northwest.

1926–31: Ford Motor Co., Berlin, Germany, as assistant general manager. Supervision over five countries. Responsible for increasing car, tractor, and parts sales by directing large staff of traveling representatives. Relations with foreign government officials in respect to import duties and taxes, finance, legal, labor, and transportation questions.

1931–33: Bureau of Foreign and Domestic Commerce, as automotive trade commissioner for Europe assigned to New York office to handle export problems chiefly.

1933–36: National Recovery Administration, as Deputy and Acting Division Administrator in charge of promulgation and administration of over 30 codes of fair competition.

1936–41: Federal Security Agency, Social Security Board, as liaison officer, participated in establishment of a field organization embracing 12 regional and 472 field offices and formulation of policy and procedure.

1942–45: Smaller War Plants Corporation, special assistant to board of directors and Deputy Director of Prime Contract Division (1944–45) had full responsibility in taking prime contracts and subcontracting involving millions of dollars.

1946–48: Office of Small Business, Department of Commerce, Chief of Contract Assistance and Production Assistance Sections and Assistant Chief, Industrial Production Division. Administrative and supervisory functions involving Government procurement and subcontracting programs, aid to small business in obtaining surplus machines, scare materials, and equipment under allocation, export controls.

June 1948 to date: Chief of Machinery and Motive Products Branch, OIT, engaged in export control and foreign-trade-promotion activities covering all types of machinery tools and equipment, automotive products, and agricultural machinery and implements and all other industrial machinery. This involves administrative duties and formal relation of policies and procedures. This requires broad background of technical knowledge and experience.

Fivaz, Alfred E., Chief, Pulp and Paper Section; $8,808.75

Graduate of New York State College of Forestry, June 1921, degree of B. S. (forestry).

Since May 1922 continuously employed by the Federal Government successively in the Bureaus of Plant Industry, Entomology and Plant Quarantine, and Soil Conservation.

Service of the Department of Agriculture, the War Production Board, Civilian Production Administration, and Office of Housing Expediter.

All service has been in the broad field of forestry, especially in forest pest control, forest management, and conservation for the war and postwar agencies mentioned.

1930–33: Forester in charge of eastern control investigations, Office of Blister Rust Control, Bureau Plant Industry, USDA.

1934–35: Forester in charge of Dutch-elm disease eradication, Bureau of Entomology and Plant Quarantine, USDA.

1935–43: Senior forester, Assistant Chief, Forestry Division, Soil Conservation Service, United States Department of Agriculture.

1943–46: Technical adviser, Assistant Chief of Log and Lumber Production Branch, Lumber Division, WPB and CPA.

Foster, James C., Chief, Livestock and Meat Products Section; $9,108

Raised on farm, Loveland, Colo. Veteran of World War I. Graduated from Colorado Agricultural and Mechanical College 1923 with B. S. degree, completing work same institution M. S. degree 1934. Employed 1927–34 as agricultural extension agent in Colorado; salary $1,800 to $2,600 per year. Employed in agricultural research, National Resources Board and Resettlement Administration 1934 to 1937, Colorado, Texas, New Mexico, Kansas, and Oklahoma, salary $2,800 to $4,600 per year. Regional director and regional representative, southern Great Plains region, Bureau of Agricultural Economics, 1937–42; salary, $5,400 to $5,800 per year. Employed Foreign Economic Administration, Washington, D. C., and in England, France, Belgium, Holland, and Germany, 1943–46, working on food and agricultural production requirements for liberated areas and with United States group control on German agricultural-production program. Salary, $5,800 to $6.700 per year. Employed Commerce Department, Washington, D. C., 1946 to date, working on food and agricultural production requirements and in licensing exports of food commodities. Salary, $7,437.50 to $9,108 per year.

Golden, Nathan Daniel, Chief, Motion Picture and Photographic Branch (International Trade Economist); $10,305

Born in Ulkusz, Poland. Attended Washington College of Law, 1931 to 1933 (LLB). 1926. Bureau of Foreign and Domestic Commerce, Chief, Motion Picture Unit. Mr. Golden has been in BFDC since 1926. Made Chief, Motion Picture Unit, July 1937.

1921–26: Patient in Government hospitals for leg wounds received in World War I, necessitating removal of left leg.
1919–21: Projectionist, Loew's Inc., Cleveland, Ohio.
1917–17: Soldier in France with United States Army.
1914–17: Booker of motion pictures in film industry, also salesman on city accounts with Mutual Film Co., Cleveland.
1913–14: Assistant cameraman and general production work in the studio.

Hand, Ellsworth J., Acting Chief, Electrical Machinery Section; $8,389.80

Graduated from George Washington University with B. S. in electrical engineering degree in June 1933. Completed one semester in graduate school of Department of Agriculture 1948, now in second semester. Correspondence course in electrical engineering, completed in 1923.

Various small jobs from 1916 to 1919. Sergeant in United States Marine Corps from 1919 to 1923 (inactive reserves from 1923 to 1927). Potomac Electric Power Co. from 1923 to 1941 as substation and generating station operator, 1 year of this as statistical and insurance clerk, also 1 year as night supervisor of entire system, balance of time mostly as senior operator of substations and generating stations. During this time completed 3 years of high school and 4 years of college work on a part-time basis, actual time was 10 years.

From 1941 to 1943 with the Federal Power Commission assigned to the War Production Board processing applications for priority on power installations.

From 1943 to 1947 with the Office of International Trade processing utility applications for priority and export license. Classified as Chief of Power Section CAF–14.

From 1947 to 1948 with Federal Power Commission on foreign power study. Returned to Office of International Trade, March 15, 1948.

Klinger, Harry W., Chief, Licensing Section (chemicals); $7,671.60

Lock Haven Normal School; Pennsylvania State College, B. S. in chemical Engineering; Honorary Chemical Society.

1915–39: Hercules Powder Co., Wilmington, Del. Searched all research sales, and service reports and literature for problems met in industry and the requirements that have to be met. Coordinated the sales and research work on new markets and new chemical products. Advertising and sales work, etc.

1939–41: Time devoted to locating new chemical product to develop markets for.

1941–42: Procurement Division, Treasury Department, Washington, D. C., industrial commodity specialist.

June 1942 to August 1942: Examined data on chemicals in Washington office (for same purpose as below).

August 1942 to June 1943: Was in charge of a unit in the New York office that examined highly technical data on all kinds of materials to determine whether or not their exportation would injure the national industry.

1942–48: Office of International Trade, Washington, D. C. (formerly FEA and before that BEW). Have been in charge of group of technical men that approve or reject applications to export all kinds of chemicals to all parts of the world.

Lund, Charles E., Associate Chief, Food Branch (international trade economist); $9,706.50

Graduate, business course, Newark, N. J., evening high school, 3 years. Did stenographic work for 3 years, 1910–13 at George Morris & Son Co. and the Lehigh Valley Railroad, New York City.

From 1913 to 1928, employed by Armour & Co. as department manager, branch house manager, and plant sales manager.

From 1928 until 1933 was division meat superintendent in charge of purchases and sales all metropolitan meat markets in the Grand Union Co., New York City.

From 1933 until 1935 employed by Division of Press Intelligence, analyzing newspaper reactions to Government activities.

From 1935 until present time, employed by the Department of Commerce, Bureau of Foreign and Domestic Commerce, Food Branch, in charge of meats, livestock, and fats and oils.

Lutz, Rene, Chief, Textile Section; $7,432.20

Education: American University, B. A. major in economics. Temple University, master of education in economics. Also university studies in economics and international trade at American University Graduate School, George Washington University, and Harvard University.

Experience: Four and a half years with Cities Service Oil Co. in Washington, D. C., Philadelphia, Pa., and New York City. Also employed by Armour & Co., Washington, D. C.

Temporary appointments with United States Civil Service Commission, Census Bureau, and Railroad Retirement Board. Appointed as economic analyst, Bureau of Foreign and Domestic Commerce, in February 1942.

McKellar, Alfred D., Acting Chief, Lumber and Allied Products Section; $7,432.20

B. S. in forestry, Louisiana State University, 1930; M. S. in forestry, University of Georgia, 1937.

Employed by the Forest Service, United States Department of Agriculture, from 1930 to 1936. Work included timber estimating and evaluation of forest land, general administration, and research in forest regeneration.

Assistant professor of forestry at University of Georgia from 1936 to 1943, teaching several subjects in silviculture, forest economics, and game management.

Commodity specialist in Lumber and Paper Division, United States Tariff Commission, 1943–46. Engaged in economic studies of forest products.

Since 1946, employed by Department of Commerce. Presently, Acting Chief of Lumber and Allied Products Section, Forest Products Branch, Office of International Trade.

Macy, Loring K., Chief, Food Branch; $10,305

Born and raised on an Iowa livestock and grain farm; graduated from Iowa State College in 1929 and received master of science degree in 1935, both in agricultural economics; county agricultural agent in charge of State and Federal rural extension programs in two Iowa counties from September 1929 to February 1935.

Farm management State extension specialist at Iowa State College from February 1935 to June 1941, except from June 1936 to September 1937, when on leave of absence to conduct a national research study on farm labor.

Chief, Production and Loan Supervision Section of the Farm Security Administration from July 1941 to July 1944 in charge of planning, organizing, and directing the work of trained personnel in the fields of farm management, agronomy, animal husbandry, food supply, family living, and credit management.

Chief, Agricultural Supplies Section of Foreign Economics Administration from July 1944 to October 1945, responsible for feeds, insecticides and veterinary supplies, and from October 1945 to the present time, Chief, Food Branch (Chief, Food Division prior to reorganization), Department of Commerce, with responsibility of allocations, export control, and trade promotion of all foods, feeds, seeds, and livestock.

Louis N. Markwood, Chief, Industrial Chemical Section; $7,432.20

B. S. in chemistry engineering in 1917 from Case School of Applied Science. Was chemical consultant for 2 years in own business. Employed in the Department of Agriculture as junior chemist from June 1917 until October 1917, Washington, D. C.

From April 1931 to June 30, 1933, employed as special expert (chemical) in the Tariff Commission, New York City, and from November 1, 1933, until April 12, 1942, employed by the Department of Agriculture, Washington, D. C., and Beltsville, Md.

Transferred to Department of Commerce, Office of Foreign and Domestic Commerce in 1942 as economic analyst. At present is Chief, Industrial Chemicals Section, Commodities Division, Chemical and Drug Branch, Office of International Trade.

Molster, William A., Assistant Chief, Leather Section; $8,389.80

Graduate, Central High School, Washington, D. C.; graduate, National University, Washington, D. C., L. L. B.; member District of Columbia Bar.

Assistant to president, Kleven Shoe Co., Spencer, Mass.

Chief of Leather, Fur, and Fibre Price Branch, OPA.
Director, Miscellaneous Products Rationing Division, OPA (shoes, rubber footwear).
Chief, Shoe Rationing Branch, OPA.
Chief, Rubber Footwear Rationing, OPA.
Wholesale manager, Packard Washington Motor Car Co., Washington, D. C.

Muller, Joseph L., Chief, Lumber Section; $8,509.50

Born Rochester, N. Y. New York State College, Syracuse, N. Y. (College of Forestry). Majored in utilization of forest products. Degree of B. S.

From 1922 to 1932, clerical, bookkeeping, general office work with Snider Packing Corp., Rochester, N. Y. From 1932 to 1935, student, New York State College of Forestry.

February to June 1935, land examiner, majjing, surveying, timber, and land estimations with United States Forest Service.

September 1935 to May 1936, student, New York State College of Forestry.

1936–37: With Meadow River Lumber Co., Rainelle, W. Va., measuring off lumber, shipping sales, surveying, logging, railroad planning.

February 1937 to May 1937, student, New York State College of Forestry.

May 1937 to January 1938, shipping and sales work (retail) Morse Lumber Co., Rochester, N. Y.

January 1938 to present, with Department of Commerce.

Myer, William H., Assistant Chief, Machinery and Motive Products Branch; $8,509.50

Education: Harvard University, Cambridge, Mass., September 1907 to June 1912. Engineering S. B. 1911.

Experience, February 1, 1929, to date: Department of Commerce, Bureau of Foreign and Domestic Commerce, Office of International Trade, $7,581; economic analyst, $7,341; economic analyst, $5,600; senior economic analyst, $5,000; special agent (assistant chief of division) $5,000; special agent (assistant chief of division) $3,800.

1927–29: Fibrelastic Products Co., Newark, N. J. Sales engineer, compensation on commission basis, running at rate of about $3,000 per year with prospects of increased earnings.

1925–27: Chemical manufacturing business for self. Name of firm: Perfume and Flavor Products Corp., Jersey City, N. J.

Christian H. Nelson, Chief, Petroleum Section; $8,509.50

Educated in public grammar schools, including graduation from high school, special courses in college and industry schools on rubber, petroleum, and accounting.

Petroleum industry and State Department experience in foreign countries over a period of 10 years. Managed petroleum company business as assistant manager and manager in the West Indies, Japan, and China. Negotiated agreements, allocated requirements and observed and inaugurated petroleum rationing in Central and South America and Africa while petroleum attaché attached to embassies and consulates in these areas. My knowledge of the political and economic phases connected with petroleum in international affairs was also utilized in the State Department in Washington and in cooperation with other Government agencies.

Other business experiences over a period of 20 years include a personal business manufacturing and distributing piston rings; rubber tires, batteries, steel castings, cigarettes, elevators; and other Government agencies as well as the armed forces of the United States Army in the First World War.

Orme, Albert M., Chief, Consumer Durable Goods Co.; $8,808.75

Education: Graduated from the Haverford School, Haverford, Pa. Two years Wharton School of Finance and Commerce, University of Pennsylvania, Philadelphia, Pa.

Business experience: Have spent practically all of my business life in the advertising agency business as counselor on marketing to companies in a variety of industries including consumer products in the food, textile, automotive, paper, office equipment, etc., fields as well as in producer product fields such as steel, machine tools, dies, rubber manufactures, and others. This work was done in several companies including: Batten, Barton, Duristine & Osborn, Inc., New York and Boston; A. P. Hill Co., Inc., Pittsburgh, Pa.; William B. Remington, Inc., Springfield, Mass.; Snow, Bates & Orme, Inc. (my own company), Springfield, Mass. (I resigned November 1941.)

Government service: Office of Production Management (OPM), later becoming War Production Board, January 1942. I occupied the position of Deputy Director and later Director of the Safety and Technical Division of War Production Board until October 1945. Later in the CPA (Civilian Production Administration) was Deputy Director of the Consumers Hardware Goods Division until dissolution of the agency as of March 13, 1947.

Overley, S. Earle, Chief, Rubber Section, economic analyst (international trade); $7,432.20

Education: College of Wooster, Wooster, Ohio, June 1908 to September 1908 and June 1910 to June 1911, B. S.; Baldwin Wallace College, Berea, Ohio, June 1908 to June 1910; Sales Analysis Institute, American University, Washington, D. C., September 1937 to December 1937; February 1945 to May 1946.

Experience: Goodyear Tire & Rubber Co., Akron, Ohio, May 1912 to November 1929, supervisor, assistant district manager, district manager, manager. Salary: Annual, $600 to $7,500 ($8,400 including bonuses). The last 10 years annual salary averaged $6,300.

September 1930 to January 1938: Sinclair Refining Co., New York, N. Y. Supervisor and commission agent, $2,400 to $4,000.

April 3, 1942, to present: Department of Commerce, B. F. and D. C. (OIT); associate economic analyst, $3,200 per annum; economic analyst, $3,800 per annum; economic analyst, $5,403.60 per annum; Chief, Rubber Section, economic analyst (international trade), $7,102.20.

Palmer, J. Joseph, Chief, Iron and Steel Section; $7,671.60

A. B. from George Washington University, Washington, D. C., June 23, 1921.

M. A. from George Washington University, Washington, D. C., June 25, 1923.

LL. B. from George Washington and National University, Washington, D. C., in 1937.

Became member of District of Columbia Bar 1936 (Supreme Court of District of Columbia, District of Columbia Court of Appeals.

Chief, Foreign Construction Section, Commodities Division, OIT since December 1945.

From December 1942 to December 1945 Chief, Construction Unit, Division of Industrial Economy, Bureau of Foreign and Domestic Commerce.

From August 1926 to November 1942 Assistant Chief, Metals and Minerals Division, Division of Industrial Economy, Bureau of Foreign and Domestic Commerce.

From October 1925 to June 1926 commercial economist, city of Cincinnati resource survey, University of Cincinnati.

Parris, Donald S., Assistant Chief, General Products Branch; $8,509.50

B. A. from University of Maryland, 1929. Mathematics teacher in elementary school for 1 year (State department of public instruction, Statehouse, Dover, Del.) and principal of elementary school (same as above) for 3 years.

From July 1937 to January 1938, employed by the United States Employees Compensation Commission.

February 1938 to March 1938, employed by the Labor Department.

From March 1938 to November 1938, employed by Public Health Service.

From December 1938 to present, employed by the Department of Commerce. At present, Assistant Chief, General Products Branch, Commodities Division, Office of International Trade.

Porter, Alton M., Chief, Seeds, Fruits, and Vegetables Section; $8,509.50

Degrees from Michigan State College, East Lansing, Mich. B. S. degree, 1917, major, horticulture; minor, botany. M. S. degree, 1932, major, fruits and vegetables; minor, soils. Ph. D. degree, 1937, major, vegetables; minor, botany and soils.

Chief, Seeds, Meats, Fish, and Dairy Products Section, Food Division, OIT, Department of Commerce, Washington, D. C., November 1945 to February 1949.

Agricultural teacher (Smith-Hughes), Brown City, Mich., 1917–18.

Agricultural teacher (Smith-Hughes), Freemont, Mich., 1918–20.

General farm manager, Hunter Land Co., Spokane, Wash., 1920–23 (farm ranch).

Agricultural teacher (Smith-Hughes), Monroe, Mich., 1923–26.

Superintendent of schools, Northport, Mich., 1926–31.

Graduate student, Michigan State, 1931–33.

Head of vegetable gardening, University of Connecticut and Storrs Experiment Station, Storrs, Conn., September 1933–44.

Prosterman, A. M., Acting Chief, Miscellaneous Products Section, Food Branch; $7,432.20

A. B. degree, economics, University of Illinois, 1938.

Three years of business experience with Jackson Hall Co., Chicago and Jacksonville, Ill.; left as assistant sales manager and market analyst in 1941.

With National Bond & Investment Co. as market analyst for 6 months.

Started with OPA in late 1941; was business economist in Food Rationing Division (coffee and processed-food programs) until 1944.

Went to FEA, Commerce, eventually to head up export control work and foreign-country requirements work with regard to sugar, tobacco, coffee, tea, cocoa, spices, and rice.

In late 1947 went to work for the International Emergency Food Council (IEFC) as executive secretary of the Committee on Sugar, which allocated world supplies of sugar between countries. This was under Dr. A. Fitzgerald, who was secretary-general of the organization. When sugar came back into surplus I returned to Commerce July 1948 in charge of export control and trade promotion of sugar, tobacco, and tropical products and beverages.

Roll, George H., Chief, Nonferrous Metals Section; $9,407.25

University of Minnesota, September 1912 to February 1913; Colorado School of Mines, January 1919 to June 1919, E. M. 1919; Columbia University special courses in economics, November 1931 to November 1932.

Chief of distribution, $5,600, September 1941 to February 1944, War Production Board; president, treasurer, director, Blademaster, Inc., $5,000 plus, July 1938 to May 1940; superintendent of accounts, $4,200, Young & Offley, Inc., January 1934 to June 1938; sales engineer, $3,600, Sylvania Industrial Corp., March 1933 to January 1934; industrial engineer and statistician, free lance, October 1931 to March 1933; sales engineer, $5,000, Synthetic Plastics Co., August 1930 to June 1931; associate partner, $5,000, Starring & Co., August 1929 to June 1930; assistant to president, assistant secretary-treasurer, $5,000 to $15,000, Bakelite Corp., January 1922 to March 1929; engineer, $3,600, E. T. Suffern Co., January 1921 to January 1922; engineer, $3,000, Midwest Refining Co., July 1919 to November 1920; various, 1912–19.

Sallee, George A., Chief, Dairy, Poultry, and Fishery Products Section, $8,509.50

B. S. in agriculture, University of Illinois, 1925; M. S., University of Minnesota, 1928; Ph. D., University of Minnesota, 1938; major in agricultural economics; minor in economics.

Born and raised on a western Illinois farm. Spent approximately 12 years in agricultural economics research at State agricultural experiment stations (1 year at Illinois and the rest at Minnesota). Spent 1½ years with national research project, WPA, and 9 years with United States Department of Agriculture in agricultural economics work, the last 4½ years of which were directly concerned with the supply and distribution of food products.

Schnitzer, Julius, Chief, Textile and Leather Branch; $10,305

Born in Austria, Hungary. Georgetown University September 1921 to June 1923. Studies: Economics, commerce, languages. Home study in economics over a period of 3 years through outline suggested by Harvard Classics.

1923–46: Department of Commerce as leather specialist to Chief of Leather Unit.

1914–17: National Cash Grocers, Yonkers, N. Y.; clerk to branch manager.

1917: Belfort Trading Co., Yonkers, shipping and receiving clerk.

Smith, Charles E., Chief, Agricultural Chemicals Section; $7,432.20

High school, 4 years.

Virginia Polytechnic Institute: Received B. S. degree; majored in agronomy and agricultural education; 4 years.

Postgraduate work, University of Virginia and Kansas State Agricultural College (agricultural education); 12 years.

Teacher of vocational agriculture and principal in the public schools of Virginia; 12 years.

United States Government: (13 years) (*a*) Seven years with Soil Conservation Service, Department of Agriculture, administratively responsible for the supervision of 14 planning technicians in the State of Virginia.

(*b*) Six years with the Lend-Lease Administration, FEA, and the Office of International Trade; worked in the Food and Agricultural Supplies Division of each of these agencies. Was chief of section and administratively responsible for the supervision of the work of from 5 to 15 persons.

Stevenson, Perry J., Acting Chief, General Products Branch; $8.509.50

Education: Colgate University, A. B., 1914; Northwestern University, February to June 1914; Columbia University, February to June 1916.

Experience February 2, 1947, to present: Department of Commerce, Office of International Trade, assistant deputy director for trade promotion; $8,179.50.

October 1942 to February 1947: Department of Commerce, Bureau of Foreign and Domestic Commerce, Office of International Trade, Advisory on Trade Controls; $5,600 to $7,581.

October 1937 to October 1942: Department of Commerce, Bureau of Foreign and Domestic Commerce, Assistant Chief, Division of Foreign Tariffs; $4,600 to $4.800.

February 1935 to October 1937: Department of Commerce, Bureau of Foreign and Domestic Commerce, Foreign Tariffs Division, Foreign Tariff Expert; Chief, British and Orient Section, $2,900 to $3,200.

May 1934 to February 1935: Department of Agriculture, Bureau of Agricultural Economics, administrative head of CWA project, rural tax delinquency, $32,600.

October 1933 to December 1933: United States Tariff Commission, Economic Analyst, $4,600.

August 1929 to March 1933: The White Co., Cleveland Ohio, manager, African Division, Export Department, $7,500 to $5,500. Income was augmented by commissions and reduced during depression period.

November 1913 to August 1929: Department of Commerce, Bureau of Foreign and Domestic Commerce, clerk; commercial agent; Chief, Commercial Attaché Division; district manager; Trade Commissioner, $900 to $6,000.

June 1909 to November 1913: Department of Agriculture, messenger clerk, $360 to $900.

Stewart, Ralph T., Chief, Grains, Feeds, and Cereal Products Section; $8,808.75

B. S. agriculture, with major in farm crops and soils, 1924, Iowa State College; M. S. farm crops and soils with major in plant breeding, 1927, Iowa State College; Ph. D. farm crops and soils with major in plant breeding and genetics, 1928, Iowa State College.

1926–36: Associate professor, agronomy, Texas Agricultural and Mechanical College.

1936–42: With United States Department of Agriculture, worked on range surveys, farm organization plans in connection with the land programs in State soil conservation districts.

1942–45: With FEA working on statistics of food availability in foreign countries, food and agriculture supply requirements for Army programs in liberated countries and food and agriculture supply requirements for UNRRA.

1945 to date: With Department of Commerce as Assistant Chief of the Food Branch and Chief, Grains, Feeds, and Cereal Products Section on export control of foods.

(Was raised on grain and livestock farm, Missouri.)

Stull, Charles M., Acting Chief, Fuels Branch; $8,509.50

B. S. degree, mining engineering, 1924, Virginia Polytechnic Institute, Blacksburg, Va., one semester graduate work at same institution.

1925–30: Coal mining and geology, Sloss Sheffield Steel & Iron Co., Birmingham, Ala.

1930–38: Fuel inspection engineer, United States Bureau of Mines, Washington, D. C.

1938–41: Chief, Inspection and Mine Classification, Bituminous Coal Producers Board for District No. 1. Army Engineers, War Department, Washington, D. C.

1942–46: Lieutenant Commander, USNR. Active duty as Chief, Production and Operations Division, Coal Mines Administration.

1947 to present: Active Chief, Fuels Branch, Commodities Division, Office of International Trade.

Sweeney, Wilson E., Acting Chief, Metals and Minerals Branch; $8,808.75

B. S. and M. S., University of Chicago, 1931 and 1933 graduate work in mathematics, statistics, and economics.

1934–42: Works Progress Administration, Department of Agriculture, and War Department as statistician and supervisor of statistical projects.

1942–48: Lend-Lease, Foreign Economic Administration, and Department of Commerce working on international trade, determinations of foreign requirements and United States ability to meet these needs, export licensing policies and procedures

Thompson, William, Chief, Scientific and Professional Equipment Section, General Products Branch; $6,235.20

Education: Graduated Georgetown University, School of Foreign Service, with a degree of B. F. S. Majored in economics and foreign trade.

Served in Bureau of Foreign and Domestic Commerce as an industry specialist, 1928 to 1933.

Served in War Production Board as industry analyst, 1941 to 1943.

Served as Government representative for Ansul Chemical Co., Dugas division, under Mr. G. Linquest, 1943 to 1944.

Served as industry specialist in Bureau of Foreign and Domestic Commerce, Department of Commerce, 1944 to date.

Author of several articles on foreign trade; specifically, the Dental Industry and the Surgical Instruments Industry.

Have addressed trade association meetings on many occasions on the subject of foreign trade and export control.

Prepared numerous questionnaires on market for American products in foreign countries. Edited and published the results of these questionnaires for the benefit of American industry.

(Whereupon, at 4 p. m., the committee recessed, to reconvene in executive session on H. R. 1661 at 10:30 a. m., Thursday, February 3, 1949.)

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